THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 17, 1937 | 10c a Copy; $5.00 a Year | No. 16

The Nation's Business

Premier Hepburn Challenges Lewis Dictatorship

Must Industry Bow to Foreign Agitators?

Communism and C.I.O. Outlaw Sound Labor Leadership

Cahan Shows Need for Constitutional Reform

Hepburn Gets the Spotlight

THE STRIKE at Oshawa last week has brought Canada into the full glare of publicity that has featured industrial and economic conditions in the United States during the past few months. The publicity Canada has received across the border has been most favorable. United States newspapers and businessmen generally, greeted enthusiastically the firm, courageous stand of Ontario's Premier Hepburn against industrial lawlessness.

The Hepburn statement which attracted most attention was the quick, clear-cut way in which he swung into action against any form of lawlessness in the province; his assertion that "The Government's obligation with respect to the maintenance of law and order is one from which this administration has no desire to escape." The very fact that this was played up as a sensational statement in both Canada and the United States indicates the extent to which the John L. Lewis industrial dictatorship has swept ordinary standards of law and order into the discard.

* * *

THE NET result is a wave of respect and admiration for Canada and Canadian institutions and leadership that cannot help but have many far-reaching benefits to this country and to the cause of sound industrial relations on both sides of the line. Already, American businessmen are wishing they could "swap a Hepburn for a Roosevelt" and the cause of branch plant expansion into Canadian territory has been given a major boost.

Even more important from an international viewpoint is the fact that the Hepburn challenge is being cited as the first important check the C.I.O. has had on either side of the line since its spectacular rise to power a few months ago. There is general agreement that this bold defiance by Hepburn of an international dictatorship for industry is the sort of stand the American authorities should have taken from the first and there is little question that his action will affect the success of the movement on both sides of the international boundary.

* * *

Vital Issues at Stake

APART from unexpected publicity, the Oshawa strike has brought into the open in Canada, some of the most vital issues in the whole field of industrial relations—issues that may mark a turning point in industrial and certainly in labor history in the Dominion.

Fortunately, the situation is not at present clouded by any major demonstrations against established law and order such as the much-publicized sit-down strikes in the United States. The issue has been sharply joined, however, as to the rights of employees in appointing representatives for purposes of collective bargaining.

Thus General Motors Corp. of Canada spoke for a wide body of industrial employers in this country when it refused last week to negotiate with anyone other than an employee-representative, or to sign an agreement with a Detroit union. For years, this has been a traditional attitude on the part of scores of executives who feel that in so doing they are serving not merely the best interests of the company, but the best interests of the employees themselves.

In the case of the General Motors strike the issue has been raised in a spectacular way because of the fact that the man whom the employees chose as their representative was a person denounced by both the company and later by Premier Hepburn as a "'foreign agitator." At first this man (Hugh Thompson, whose career and operations were described in detail in last week's Post) was replaced on the employee committee by a man appointed from among the General Motors employees themselves, but later in the week when negotiations between the men and the company were apparently at a standstill, an open break occurred again when Premier Hepburn, as intermediary on behalf of the province, also refused to negotiate as long as Thompson was present.

* * *

Responsibility of Employees

GRANTED that employees have very considerable rights in choosing who shall represent them, it is equally important to consider the rights of employers and of governmental leaders such as Premier Hepburn in insisting that those who represent employees shall be persons or organizations of reliable and proper character. Those who have followed the succession of lawless acts which have characterized C.I.O.

(Continued on page 2, col. 3)

Sugar Crisis Seen Looming For Ottawa

Maritime Agitation for Lower Prices Spreads to West

WOULD PLACATE CUBA

From Our Own Correspondent

OTTAWA.—Will sugar once again become the tariff and political storm centre of Parliament Hill? Every decade or so this product has a habit of occupying the spotlight.

Back in the old Board of Commerce days the Meighen Government sought to maintain the price of sugar when other commodities were tumbling. The policy was generally credited with a large share of responsibility for that ministry's subsequent annihilation at the polls. Then a few years ago the Bennett administration placed a special tax on sugar and immediately afforded the illustration that Liberal spellbinders had been seeking for their impassioned orations on the subject of high taxation under a Conservative régime.

Opposition Forming

Now there are distinct signs in Federal circles of a pending concentration by low-tariff Liberals of all their available forces against the protection at present being accorded the sugar refining industry.

At the present time the general tariff on sugar is $1.89 per hundred pounds. In addition there is a dumping duty of 75 cents per bag against Cuba, the principal source of competition for Canadian refineries. Finally, there is the special excise tax of 3% which all foreign imports pay.

The result of this protection is to more than double the price of Cuban or Scotch imported sugar by the time it has cleared the customs.

Started in Maritimes

The present political agitation against sugar duties is of Maritime origin. Resenting the retention of the dumping duty of 75 cents per bag against their sugar, the Cubans have retaliated by closing one of the best markets for salt, dried, and pickled cod fish. A lucrative outlet for potatoes has also been largely lost. The Maritime M.P.'s, accordingly, are agitating for the cancellation of the sugar dump. As this is a prime necessity in the daily budget of every Canadian family, legislators from other parts of the Dominion are becoming impressed by the possibilities of a crusade for cheaper sugar.

Before the recent close of the session, the agitation had spread to the prairie members and from the Liberal to the Conservative side of the House, assisted by letters which were arriving from consumers throughout the country in increasing volume. And one the last day of Parliament E. F. Perley, a Saskatchewan Conservative member, made a vain effort, supported by Conservative Leader R. B. Bennett, to have the subject aired on the floor of the Commons. He was prevented when the Deputy Speaker, possibly sensing the general desire to reach prorogation that day, invoked the technical rules of procedure literally to confine the discussion to the item of furniture.

Getting Ear of Parliament

The likelihood is, however, that the Government will have to take cognizance before another session of Parliament is held of the sentiment among the members for lower sugar tariffs. The complaint is made that as a result of existing tariff protection, the Canadian refiners are selling in foreign markets at prices substantially below those which they are charging the Canadian public.

While the suggestion to the Government has been mainly for a tariff board investigation, the course which the ministry is believed to be considering with greater favor is the negotiation of a trade treaty with Cuba. In such an arrangement Canada would agree to rescind the dumping duty against sugar and possibly lower the basic tariff rate in return for substantial concessions for Maritime products. It is believed reliably that the Government will move toward this end before the summer is over.

Politically, sugar tariffs represent a line of least resistance for the Government at present in power. The reason is that they are of Conservative making, including even the special dumping duty against Cuba and the special tax of one cent per pound. In the eyes of the Canadian consumers, accordingly, the ministry believes that it would gain popularity by any action which it might take to cheapen the commodity.

New Insurance Head Appointed

The Financial Post is informed on reliable authority that George LaFrance has been appointed superintendent of insurance for the Province of Quebec, and that official announcement will be made in the very near future. It is believed the appointment will be effective as from April 15, and that the post carries with it a salary of $5,000 a year.

Mr. LaFrance has been with the Sun Life Assurance Co. for some years, serving in the actuarial department at head office.

Ontario Hydro Shows Surplus

Cost of Power Purchased Is $5 Millions Lower

Increased revenue and lower operating expenses enabled the Hydro-Electric Power Commission of Ontario to report a surplus of $14,794, after all charges, in the year ended Oct. 31, 1936, compared with a deficit of $2.9 millions in the 1934-35 fiscal year.

Operating revenues for 1935-36 at $30.2 millions were $965,000 higher than in the previous year and operating expenses at $14.7 millions were $4.3 millions lower, so that net operating income was $5.2 millions higher.

Power Costs Down

The reduction in operating expenses is entirely due to the cancellation and revision of contracts with Quebec power concerns, the amount expended on power purchased being over $5 millions lower than in 1934-35. The amount spent on power purchased in 1935-36 was slightly more than $4 millions. This item will probably show an increase in the current year as a result of the new contracts made with Ottawa Valley Power, Maclaren-Quebec Power and Gatineau Power. The increase in cost of power purchased will, of course, be offset to some extent at least by increased operating revenues.

The actual improvement on the year's operations is shown better by reference to net income which at $5.9 millions is $5.1 millions higher than in 1934-35. From net income a larger provision was made for sinking fund and an appropriation of $1.9 million made for rate stabilization. No provision for rate stabilization was made in 1934-35.

Comparative income figures are shown below:

Operating and Income Account
Years Ended Oct. 31

	1936 $	1935 $
Operating revenues	30,237,499	29,272,130
Operating expenses:		
Power purchased	4,043,079	9,130,315
Oper. & adm. exps.	6,296,217	6,072,694
Deprec. provision:		
Principal amount	2,188,205	2,185,806
Int. on res.	1,242,516	1,118,374
Contingencies provision:		
Principal amount	776,296	266,898
Int. on res.	252,931	358,952
Total oper. exps.	14,799,244	19,133,040
Net operating income	15,438,255	10,139,090
Non-operating income:		
Misc. interest	69,144	165,964
Inc. from res. fund	1,731,198	1,698,798
Inc. from sink. fund	204,571	151,561
Int. during constr.	81,843	101,114
Misc. income	58,750	94,084
Contributions from others	142,500	180,017
Int. & divds. from subsidiaries	129,995	137,629
Inter-system int. adj.	128,116	78,978
Total non-oper. inc.	2,546,117	2,608,146
Gross income	17,984,372	12,747,236
Deductions from gross inc.:		
Int. on long-term debt:		
H.E.P.C. debs.	2,983,362	2,729,414
Ont. bonds, 1935	322,965	.....
Ont. bonds, 1936	8,494,848	9,166,263
Exchange & commission:		
H.E.P.C. debs.	9,935	8,520
Ont. bonds	100,851	31,095
Amort. of debt disc.	26,555	14,660
Amort. of prems. on debt	†47,570	†41,072
Misc. int.	147,831	77,530
Total deductions from gross income	12,038,776	11,986,410
Net income	5,945,595	760,826
Disposition of net income:		
Sinking fund approp.:		
Principal amount	2,562,332	2,414,170
Int. on res.	1,404,870	1,258,022
Rate stabiliz'n fd.	1,963,599	......
Total disposition of net income	5,930,801	3,672,192
Surplus to contingency reserves	14,794	*2,911,366

*Deficit. †Credit.

Stock Dividends

From Our Own Correspondent

MONTREAL.—St. Lawrence Flour Mills has declared an initial dividend of 25 cents a share on the new common stock. Payment on the new shares was equal to 75 cents on the old common.

New Contracts For Newsprint On $50 Basis

Publishers Sign Up for 1938 Deliveries at New Price

LONDON BULLISH

From Our Own Correspondent

MONTREAL.—Over 100 contracts for 1938 delivery of newsprint to United States customers have been closed by Canadian manufacturers, naming firm prices based on $50 a ton at New York for the first six months of the year.

There is an increasing number of requests for non-contract or spot supply, particularly from mid-West and Pacific coast buyers. The tonnage for delivery to Oklahoma City this month and next was recently sold at $52.50 a ton, this being $5 above the full 1937 contract price for that destination.

In overseas markets, the upward trend continues. The most recent Canadian quotation reported is on 3,000 tons for delivery to Japan this summer, at a price netting over $45.50 per short ton in the mill, or equivalent to over $52 delivered at New York.

There appears to be practically no European tonnage available to supply current demands on overseas markets and it is reported that a Scandinavian supplier quoted a New York merchant $60 a ton on 2,000 tons for delivery in the second half of this year.

London is Bullish

The London Financial Times, in a recent issue took an optimistic attitude regarding the outlook for pulp and paper.

"The demand for newsprint," it said, "is increasing everywhere and provided there is no major international conflagration, will continue to rise.

"British newsprint mills are second to none in efficiency but unfortunately their intake of pulp and pulpwood is mainly from Baltic countries who are taking full advantage of the scarcity of supply.

"The British consumers certainly are being held for ransom, nor is there any easy way out of their difficulties.

"Doubts have been expressed whether the known available supply of timber will be sufficient to meet the rapid growth of demand for pulp products.

"Thus the formation of a European cartel to control exports of pulpwood is now under consideration."

Industry Sees Threat to Recovery In Disruption of Labor Campaign

Ottawa Believes Conciliation Can End Oshawa Strike

MINISTRY MAY ACT

From Our Own Correspondent

OTTAWA.—The Federal Government does not agree with Premier Mitchell F. Hepburn's statement that the C.I.O. and Communism are "marching hand-in-hand." It takes the view that instead of being Communistic in their essence, the events of which the C.I.O. has been the recent storm centre in the United States have been, fundamentally, jurisdictional disputes between two rival foreign labor factions, the A.F. of L. and the C.I.O.

The minister does not see why Canadian soil should furnish a battleground for this issue, or why Canadian workmen should treat the question of which of two foreign labor camps wins out in a battle over organization as an issue sufficiently vital to themselves to stake their livelihood upon it.

Holding this view, the Federal Government is optimistic over the possibilities of conciliation in the Oshawa dispute. It believes Canadian workmen, if offered fair terms in an atmosphere of friendly negotiation, will not allow their attitude on foreign labor politics, in which their interest at most must be a purely sympathetic one, to stand in the way of their better judgment and a fair settlement.

Free Hand Wanted

But before the Federal Government undertakes to assist in bringing about such a settlement, Mr. Hepburn must retire from the picture.

The significant fact to note as indicating the Federal viewpoint upon Mr. Hepburn's attempted handling of the Oshawa situation, is not simply the fact that Hon. Norman Rogers has invited the contending factions to invite the good offices of the Federal Labor Department into their negotiations. The point is rather the time at which the Minister of Labor extended this invitation.

According to the information now learned on Parliament Hill, it was early in the progress of the dispute that Mr. Rogers volunteered the services of his department. In fact, it was at its very beginning, when Mr. Hepburn asked the Federal authorities to hold additional

(Continued on page 2, col. 6)

FIGHTS C.I.O.

Premier Mitchell Hepburn of Ontario, who is waging a determined battle against the C. I. O. drive to unionize Canadian industry, denouncing it as an attempt at "industrial dictatorship by the forces of John L. Lewis and Communism."

His accompanying warning against disorderly or illegal strike tactics won widespread endorsation in Canada and in the United States. In the United States this was partly because of an impression that the auto workers' walkout at Oshawa was a sit-down strike such as has bedevilled American industry for months. Some United States commentators also fell into the error of believing Mr. Hepburn was Premier of Canada.

General Motors Resistance to C. I. O. Domination Efforts Wins Support From Majority of Employers

Industry in Canada is preparing to grapple with a potential threat to the stability of its labor relations.

Widening repercussions have resulted from the clash between General Motors of Canada and the C. I. O. auto workers union, the first major conflict arising out of the C. I. O. drive in Canada. Whatever the final outcome of the Oshawa strike, it now appears that industry as a whole will have to cope, along a broader front, with the campaigners for labor power.

It is generally anticipated that specific problems in each plant or industry will have to be grappled with directly as they arise. In the meantime, there appears to be an inclination of employers to meet the challenge by adjusting the returns of labor upward to the limit of economic wisdom.

Direct Dealings

Industry feels it must defend, and maintain by successful example, its conviction of the soundness of direct dealings between employers and their workers. It concedes the privilege of workers to belong to any legitimate organization of their choice, but firmly resists any suggestion that either employers or workers must submit to what looms as an attempt to set up an international labor dictatorship.

Injection of such an influence in the industrial scene would disrupt, it is feared, what is deemed a sane and co-operative relationship with employees, an increasingly satisfactory balance of interest between the contributing human factors in industry. Unionism has its place, it is granted, but not when it acts to destroy a basic unity of purpose built up by patient effort over many years, without regard for the lot of the worker or prevailing circumstances.

At the same time, industrial leaders fear that if the current thrust for unionization gains any substantial headway, such rupture of employee relations would be accompanied by hobbling of industry's freedom of action and general economic maladjustment. Arbitrarily forced benefits to labor would bring increased production costs and force higher prices upon a reviving business world not naturally able to absorb them.

Oppose Outside Control

To the present drive of C.I.O. emissaries, industrialists are opposed with especial resoluteness. But they would be almost equally adamant in their resistance to a similar effort by any other group, to inflict on industry and workers alike a control regarded as spawned by an interest foreign to that of either group.

Canvass by The Financial Post of corporation executives and other leaders in the industrial world, reveals that few find themselves able to accept the concept that collective bargaining with workers inevitably means submitting to terms laid down by a union or other "third party in industry." Far from being recognized in Canadian industry is the right embodied in the Wagner Act in the United States, and just upheld by the U.S. Supreme Court, for a straight majority of workers in a company's employ to designate an outside organization as bargaining agency.

This ruling will undoubtedly give added impetus and strength to the C.I.O. drive in the United States, giving, by law, the right C.I.O. unions have unsuccessfully claimed to represent all workers in a plant where the majority of workers are unionists. An indirect effect is likely also in Canada, where no such legislation exists, and may exert an influence on the eventual disposition of the coming test between two variant systems of capital-labor relations in this country.

Objection to Tactics

The right of the C.I.O. unions to mobilize the unorganized workers if they can, and to gain recognition as the bargaining agency even for workers they enroll, is conceded by only a few industrial executives in Canada. But even those who grant workers the right to "choose such representation if that is the type they want," strongly object to the tactics and attitude of the C.I.O. leaders.

"They take the unjustified view that the interests of the companies and of the workers are fundamentally opposed, and that a state of war should therefore be created," one executive told The Financial Post, "This is a mistake, excused only by the mistakes of

(Continued on page 2, col. 5)

Strike Facts

Chronology and highlights of the strike of General Motors of Canada workers in Oshawa are:

Strike called morning of Thursday, April 8, by direction of Hugh Thompson, international agent of United Automobile Workers, C. I. O. unit.

Number on strike—Approximately 3,600, with 100-200 thrown out of work by stoppage. Loss of pay to strikers and non-strikers combined, $25,000 a day.

Chief issue of strike—Demand that company deal with international union as bargaining agency for General Motors workers. No serious differences on questions of pay, hours and working conditions.

Reaction of authorities—Premier Hepburn warns that "no lawlessness will be permitted," and assembles R. C. M. P. and provincial police in Toronto to act promptly in case of trouble.

Ontario cabinet splits over Premier's stand and Attorney-General Roebuck and Labor Minister Croll asked for resignations. Federal Government reported as differing from Hepburn views and considering intervention to conciliate strike dispute.

Effect on industry—General Motors closes Windsor plant and later cancels contracts for parts and supplies with some 300 Canadian plants, compelling plant shut-downs and curtailed employment.

Alberta Debts Measure Given Hoist to July

Alberta's new debt reduction act which provides for a 50% cut in principal of all debts contracted prior to July 1, 1932, is to stand over until the legislature reconvenes in June.

The Reduction and Settlement of Debts Act of 1936 having been declared ultra vires by the supreme court, the new bill, as introduced, leaves interest rates strictly alone. Legal experts, including T. Darcy Leonard, K.C., general counsel for the Dominion Mortgage and Investments Association, are convinced, however, that the new act is also ultra vires.

Smelters Earns $2.13 a Share

May Reopen Coast Copper — Big Missouri Mill Ready by Summer

Earnings per share of $2.13 are shown by Consolidated Mining and Smelting Co. for the fiscal year ended Dec. 31, 1936, in the annual report just issued. This compares with earnings of $1.31 per share on the same capitalization in 1935. It will be recalled that last year Smelters reduced its shares from $25 par value to $5, distributing five new shares for one old.

Throughout the report reflects improved prices of lead and zinc, an improvement which made 1936 one of the best years in the company's history. J. J. Warren, president, in his report to shareholders points out that $10,038,841 was set aside from operations of the year, after adding $172,859 to the employees pension fund; $213,895 to the fire insurance reserve, and $2 millions for taxes.

Net profit of $6,953,158 shows an improvement of over 50% over the $4,306,559 earned in 1935.

Balance sheet shows cash at $2,242,742, Dominion provincial, municipal and industrial bonds, $6,981,657; accounts receivable, $1,501,818; stores and supplies, $3,508,807; prepaid freight charges, $625,814; and ores, metals, smelter products and fertilizer products on hand or in transit, $7,406,911, bringing total current assets to $22,267,749. Current liabilities are shown at $9,971,555, leaving working capital of $12,296,194, compared with $12,016,874 at the end of the previous year.

Balance Sheet

After payment of two dividends totalling $6,515,943, earned surplus account as at Dec. 31, 1936, stood at $2,268,324, compared with $1,831,108.

Mistake in Message Facilitates Passage of Combines Law

Senate Change Adopted After Rejection by Government

TEETH REMOVED

From Our Own Correspondent

OTTAWA.—Under circumstances almost as strange as ever attended the enactment of any governmental legislation, the revised Combines Bill of the Mackenzie King ministry finally passed Parliament in the mild form to which a hostile Senate had reduced it.

As standing now upon the statute books, it is a very different measure from the drastic one which the Government originally conceived. Deleted are the arbitrary powers of the Federal Combines Commissioner to enter a business establishment, seize books and documents, compel production of documents, compel attendance of witnesses, and punish drastically for any failure to comply—and all without due process of law.

In its amended form the act requires the Commissioner, before he enters any business establishment for purposes of seizure or compulsion of witnesses, to secure judicial permission— either from the chairman of the trade and industries commission, providing that official is a judge of 10 years standing, or else from a judge of the exchequer court.

Chance and Change

That this radical amendment of the Senate, the result of which is to change the legislation from its original "raid and seizure" nature back to substantially the same procedure as has been in force under the old anti-combines act, was accepted is due less to acquiescence of the Government in the change, than to the exceptional circumstances which developed in the final stages of the bill.

The Senate fought over the measure bitterly. In committee Rt. Hon. Arthur Meighen charged that "this class of legislation just makes life not worth while at all." The Liberal senators were little more comfortable in their minds regarding it, although Hon. Raoul Dandurand made a laudable effort to secure the passage of the bill in the form which the Government desired.

Finally compromise was reached between the opposing Senate groups on the proposition that the Commissioner, before he could enter any premises for purposes of compelling the production of either documents or witnesses, must first secure a judicial order. Mr. Dandurand, as Government leader of the Senate, transmitted the arrangement to Hon.

for his approval. Thereupon intervened a mix-up as unusual as Parliament has seen in a long time.

Mr. Rogers was not prepared to agree and in order not to mince words, he simply sent Mr. Dandurand the message that it "was not acceptable." In the transmission, whether by stenographic error or otherwise, the negative word in the message was dropped. Mr. Dandurand thereupon informed the Senate that the change which it had made had the approval of the Government.

Then Mr. Rogers heard about the error. Immediately he got in touch with Mr. Dandurand, who tried to explain the situation to the Senate. The members of the Upper House, however, proved sceptical. Mr. Meighen openly hinted that Mr. Dandurand's first message had been the true one, and that Mr. Rogers had subsequently been overpowered by his Cabinet colleagues. The issue was whether the Senate could be dealt with in that way—whether it could accept a minister's word and permit him to withdraw it a few minutes later when he found himself under pressure from another group of individuals. The view of the Conservative senators was that the minister of labor's undertaking should be made good in the terms in which it had been received and accepted by the Senate.

A Cabinet meeting was hurriedly called to consider the situation. The difficult plight in which the minister of labor found himself was recognized. The difficulty of persuading the Senate to pass the measure in the form desired by the Government was likewise admitted. The Government was strenuously anxious to prorogue Parliament

Highlights

Income Tax Deadline

Exemptions are provided for the taypayer. How is Canadian income tax collected and who has to pay? Page 15

Should the income tax act be changed to give industry an obsolescence allowance? Page 8

The Gold Price Scare

If the price of gold should be lowered, how would Canadian gold mines fare? Page 23

Nathan Cummings

Maker of three fortunes from shoes, his job now is to turn McCormick's Ltd. into a profitable business. Page 12

Investors' Index

Index of industrial, mining and oil companies. Page 2

Union Agent Immigrants Subject to Restrictions

The right of agents of labor unions from other countries to enter Canada on union business confers on them no immunity from the limitations applicable to the entry of all individuals into the Dominion, analysis of immigration regulations shows.

Immigration officers would, for instance, turn back an accredited union delegate if it were found he had been convicted of an indictable offense, had served a term in jail, had been certified insane, or fell within any of the many other categories of persons barred from entering this country. He would be equally subject to deportation if such limitations were found applicable after entry.

Minister Has Discretion

There is also a definite bar supplemented by the discretionary power of the minister in doubtful cases, to the entry of known advocates of subversive movements or fomenters of disorderly challenges to constituted authority. The immigration law specifically prohibits admission of persons who advocate or promote the downfall of the existing form of Government. This has been applied periodically to bar from this country Communists and other apostles of revolutionary action,

The specific restrictions in the law are bolstered by the power of interpretation vested in immigration officers, and by the authority with which the minister is endowed to admit or exclude particular applicants for admission. In view of Premier Hepburn's strong opposition to invasion of Ontario by the C.I.O. campaign, it is thought likely that had he headed the immigration department at Ottawa, he would have found means to halt the unhampered admission of union agents with records as disturbers of the established order.

The regulations are so worded that even a person who could not be classed under the prohibited groups might be classed as an undesirable because of his known record in causing trouble or defying authority in his own country.

Must Be Conviction

However, the regulations permit the definite barring of persons only on the ground of convictions or jail terms, and not because of arrests or indictment alone.

The regulations are regarded as adequate provision under existing conditions against entry of agents bearing union credentials who have been convicted of illegal or subversive acts, in connection with strike trouble or labor activity in the

Coronation Boosts Revenue Of C. P. R. by Over Million

From Our Own Correspondent

MONTREAL. — Rail and steamship traffic to the Coronation will mean an increase of about $1 million in the gross revenues of the Canadian Pacific Railway.

Plans are being made by the company to have four ships sailing from Canada to arrive in England in time for the Coronation. The Duchess of York will leave on April 23; Empress of Australia the following day; Montcalm on the 28th and the Duchess of Athol on April 30.

Big Gain in Traffic

It is anticipated that about 4,000 passengers will be carried by the 4 ships. For the same period last year the company had two ships sailing from Canada, which carried about 800 passengers between them.

As the average return steamship fare costs about $300, it is roughly calculated that the 3,200 additional passengers carried by the railway and steamships will mean about $1

pany, all of which can be directly attributed to the Coronation ceremonies.

Another interesting but smaller source of revenue to the company, resulting from the Coronation, will be the sale of seats in the London offices. The C.P.R. quarters in Charing Cross face on two streets, from each of which there will be an excellent view of the Coronation procession. The windows are being taken out and filled up with seats. There will be enough space for about 260 seats, which will be sold from 17 guineas down to 3 guineas each. Breakfast and lunch will be served. To this end one of the principal chefs from the Empress of Australia will be taken up to London and a kitchen installed in the office. Seat-buyers have to be in place on the Coronation day before 8 o'clock in the morning and will not be allowed to leave until

Profit In Laggards

Strange as it may seem, there is still a number of common stocks which have lagged behind the general market and which have investment merit. They will be discussed by C. W. Stollery next week in another important article of the series: "Profit Possibilities for Investors."

Another very vital topic these days is the rising cost of living. But the present H. C. of L. is a mere bagatelle compared with what is in prospect when recent rapid gains in commodity prices work their way down into the housewives' baskets and into everyday purchases. This important topic will be the subject of an interesting special feature in a forthcoming issue of The Financial Post.

As well, there will be further special coverage of Canada's Labor Crisis; an important article on one of Canada's mining giants, and an unusual personality sketch of two men who together operate one of Canada's most successful business enterprises.

Next week in The Financial Post

MEN'S SHOP

British Distinction! in Topcoats by Burberrys

At the Men's Shop you can select your Burberry topcoat for Spring from a most extensive range . . . distinguished for the wide choice of patterns and styles in all wool materials. Sizes 35 to 46.

BURBERRY TOPCOATS . . . 45.00 to 55.00

(Society Brand domestic all wool topcoats, sizes 35 to 46. Each 25.00 and 35.00)

These coats may be purchased on EATON'S Budget Plan if desired.

Free Parking While Shopping
BAY STREET SECTION

EATON'S-COLLEGE STREET

NEW STREAMLINED *Chris-Craft* CLIPPER CRUISER

$1930
In Canada—plus freight

Standard Accessory Group Additional

Greatest value ever offered. Four berths, electric lights, helmsman's seat, ventilating windshields and windows, large aft cockpit—just the boat for cruising on lakes, bays, rivers and off-shore fishing. Powered with 55 h.p. motor. Speed 18 m.p.h. See us for complete details.

STEWART C. KNOX
Distributor
699 St. Maurice St. MA. 5570
MONTREAL

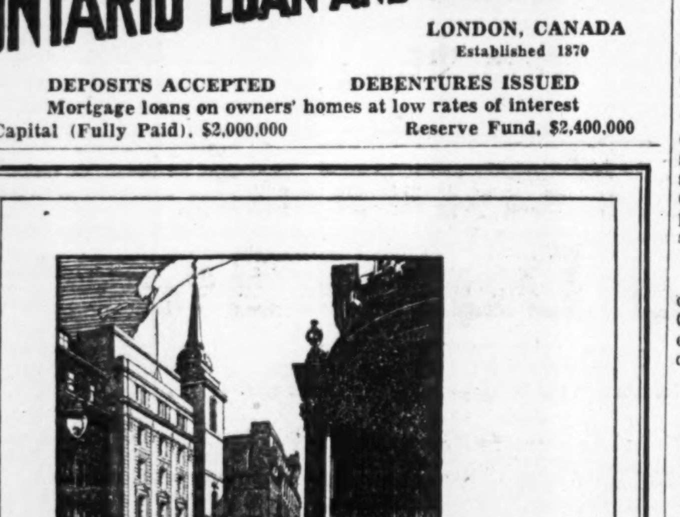
Canadian Hydro Reports Drop in Year's Profit

Canadian Hydro-Electric, controlling Gatineau Power Co., reports consolidated profit of $8.2 millions in 1936, as against $9.4 millions in 1935. The drop reflects the decline in revenue from the revised Ontario Hydro contract. After all charges, including interest and depreciation, there was a net profit available for dividends of $1.3 million as against $2.4 millions in the previous year. No dividends were paid by the company on its first preferred stock and in this connection Gordon Gale, president, in his report to the shareholders, mentions that it would be unwise to make any disbursement until some plan has been worked out for taking care of the 1941 maturity of Gatineau Power 6% debentures. Further, he says, "Your directors are giving careful consideration to various plans for dealing with this problem."

The consolidated general balance sheet of Canadian Hydro-Electric at the end of 1936 features the reduction in the underlying funded debt of Gatineau Power Co. and a reduction in cash from $1.7 million to $1.2 million.

AN old-established financial organization, of high standing and successful history, is seeking the services of two men to act as local representatives. They must be men of high character and good connections, capable of earning a large income, and their records must stand closest investigation. To the men selected an enviable opportunity of permanent and profitable association with the organization will be presented. Apply, by letter only, giving full details of career to date, to "A.G.S.," care of J. J. Gibbons Limited, 159 Bay Street, Toronto.

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000



HERE and ABROAD

■ The Royal Bank serves Canadians both at home and abroad. In London, one branch of the Bank is situated across the street from The Bank of England; another just off Trafalgar Square, beside Canada House. In Paris also, there is a conveniently located branch.

These overseas offices of The Royal Bank extend to Canadian enterprise every facility, and to Canadian visitors a friendly welcome.

THE ROYAL BANK OF CANADA
OVER 700 BRANCHES IN CANADA AND 29 OTHER COUNTRIES

The Nation's Business

(Continued from page 1)

operations in the United States during recent months have every reason to mistrust the ringleaders of this hungry industrial dictatorship. In the United States, no less than 31 sit-down strikes have mocked the solemn pledges of John L. Lewis and his associates in respect of their agreement with General Motors Corp.

This is, in part, because of the loose character of the organization which Mr. Lewis has reared, but it is also because of the lawless nature of the men who are associated with him.

As the New York Herald-Tribune said editorially last week:

"He (Lewis) has loosed a weapon he can't control. And not only that, but by the autocracy of his methods he invites insubordination.

"Here he is, the president of a miners' union, settling the affairs of an automobile union. He has constituted himself the commander in chief of all unions affiliated with his C.I.O. He drafts demands for them and orders them on strike without a strike vote, makes peace for them without an approval of terms, and manoeuvers their funds as he does their membership.

"Democracy of management, union autonomy, the twin pillars of union responsibility, are non-existent in the C.I.O. Little wonder he has difficulty making his contracts stick."

* * *

Communist Connections

FURTHERMORE, his organization both here and in the United States is closely associated through membership and in other ways with the Communist Party. Communists are not only sponsoring this organization which so closely fits their ideas of revolutionary tactics, but are using every possible opportunity afforded by its success to foment trouble and lawlessness.

There is important evidence to support Premier Hepburn's view that the C.I.O. and Communism are moving together in this affair and that their goal is to achieve by fair means or foul an industrial dictatorship across the entire continent. So far this ambition has been fed by scores of revolutionary and lawless acts which have brought established law and order into disrepute in hundreds of industrial communities.

As far as Canada is concerned there is also the threat that Lewis and the C.I.O. are endeavoring to establish their dictatorship in this country as well. Time and again Canada has fought against domination of trade and labor policies by U. S. influences and this new threat merely gives prominence to a problem that has concerned Canadian leaders for many years.

The situation recalls the attempt of Mr. Taft in 1911 to make Canada an "adjunct" of the United States, a policy which was largely responsible for the defeat of the Canadian Government at that time.

* * *

CANADA, like most other countries, is on the threshold of what appears to be a period of active prosperity. She is also entering a period when new and important advances will be made in the whole field of industrial relationships. Neither of these objectives can be achieved by Canadian labor adopting the kind of tactics and leadership that John L. Lewis and his associates practise.

They are demagogues, and demagogues are notorious for their use and exercise of power without a corresponding responsibility. It is ability and willingness to accept responsibility which Canadian employees must look for in the choice of their elected industrial representatives, and Premier Hepburn has done labor a great and important service in refusing to negotiate with a representative of those who, so far, have shown little or no willingness to accept this responsibility.

* * *

Wrong Principle in Public Finance

HON. C. H. Cahan, K.C., is crowding his leader, Mr. Bennett, for ranking as Canada's No. 1 constitutional pundit. He now suggests that even the relief contributions made by the Dominion Government to the provinces and, through the provinces, to the municipalities may be illegal.

Whatever the constitutional position, it is obvious to all good citizens that the growing habit of asking the Dominion Government to foot the bill for provincial responsibilities is one that leads to waste and inefficiency. The whole plan of aiding the provinces to do those things, which it is illegal for the Dominion Government to do, is wrong in principle and bad in practice.

* * *

OLD age pensions are a case in point. Old age pensions are administered by the provinces and Ottawa has virtually no control over them. But Ottawa pays 75% of the cost. Some commentators have made the claim that Ottawa could afford to pay 100% of the bills and would still save money because of the laxity in administration that has resulted from the present system. This claim has not been advanced by Finance Minister Dunning and is probably grossly exaggerated. But it is inevitable, when one government puts up most of the money and another spends it, that control is lost.

If the Royal Commission on Public Finance can show us how to effect such a revision of governmental responsibilities and revenues sources that we may avoid a continuation of this unhappy practice, it will indeed serve the country well. Those things which the nation as a whole must finance, should be administered by the nation. Those things which can be best administered on a provincial basis should be financed by the provinces which should be put in a position to raise, by taxation, the sums necessary to pay the bills.

Mass Strike Picketing Legality Is Questioned

Demonstrations arising out of the strike of automobile workers in Oshawa have violated the Criminal Code on several counts, in the opinion of authorities on industrial and labor law.

The most persistent activity, the legality of which is seriously questioned, has been the mass picketing of the General Motors plants in the Ontario city. Hundreds of striking workers have constantly patrolled the area around the plants, and emergency shelters and refreshment stands for the picketers have been set up. The apparent purpose of the cordon has been to discourage if not prevent entry into the plant by non-strikers and others.

Law on Picketing

The most important and most frequently cited section of the Criminal Code applicable to strikes and picketing is Sec. 501. This declares indictable anyone who:

"With a view to compel any other person to abstain from doing anything which he has a lawful right to do, or to do anything from which he has a lawful right to abstain . . . besets or watches" the home or place of employment of the victimized person.

With the object of specifically legalizing peaceful picketing, the section was amended in 1934 by a new clause, excluding from the definition of "besetting or watching" any activity construed as "attending or watching for the purpose of obtaining or communicating information." This is taken to cover observation of a place of employment to determine whether operations have been resumed by strike-breaking workers, and conveying, orally or by placards, the fact that a strike is in progress at the picketed establishment.

In the opinion of The Financial Post's informants, mass picketing such as has been staged at Oshawa could not conceivably be interpreted as purely for the purpose of "obtaining or communicating information." With the picketers plainly more numerous than necessary to acquire or disseminate information, the Oshawa activity is believed to conflict with the original unqualified prohibition against "besetting and watching."

Sit-Downs Unlawful

The picketing and related demonstrations are seen as outlawed also under court ruling and other precedents. One such interpretation conceded the right of union workers to strike, but not to induce non-strikers to leave work or to try to prevent employers from getting other men to work. It has also been held that picketing is unlawful if it constitutes "a nuisance, an unlawful assembly or trespass," which is taken as clearly rendering illegal the sit-down or stay-in strike technique so widely used in the United States.

The right of labor organization is conceded under the civil right of lawful association and by the absence of any specific prohibition. It is protected under the Criminal Code section relating to restraint of trade, which declares the section not applicable to unions in so far as restraint may be involved; and under the Combines Investigation Act, which is declared to be not applicable to "combinations of workmen in their own interest."

The legality of strikes involving cessation of work and departure from the place of employment has never been questioned. To legal authorities, a strike is clearly lawful under the civil right of either party to a contract of service to terminate it.

Restraints Imposed

But with the acknowledged right to organize, to strike and to picket to advance lawful interests, the law imposes on workers definite restraint as to the things that may not be done. Sec. 501 above referred to also lists as punishable the use of violence, property damage, intimidation, following persons about persistently or in a disorderly manner; hiding tools or clothes, or impeding the use of them. The same section has been ruled to render illegal any strike which prevents others working.

TRINITY COLLEGE SCHOOL
Founded in 1865
"Tradition and Progress"
A residential school for boys.
PORT HOPE, ONTARIO

The Examinations for the
MEMORIAL SCHOLARSHIPS
each of the value of $500.00 a year, will be held on May 6th and 7th. Applications to write these will be received until April 23rd. In addition to these Scholarships, the School has nine endowed Bursaries which are awarded for general merit each September.

Trinity Term begins on April 7th
For full information please write to the headmaster:
Philip A. C. Ketchum, M.A., B. Paed.

Industry Sees Threat Of Disruption in Strike

(Continued from page 1)

capital in the past in denying the rights of labor. But in these days there should be no reason why labor cannot get a fair deal, through organization if it desires, without creating strife and resorting to illegal, subversive tactics."

But past and present observation of union sway over labor has left a majority of corporations still questioning the desirability and potential benefit of unionism as a factor in Canadian industrial operation. This aversion is based on definite apprehension of the disruptive results anticipated from imposition of union control on individual plants, industrial groupings or industry as a whole.

Fear U.S. Methods

Intensifying the general anxiety to block the intrusion of any unionism into industry, is the disquiet of Canadian employers over the manifestations of the C.I.O. campaign in the United States They view with apprehension the possibility of repetition in Canada of plant possession strikes and other strike tactics definitely outlawed in this country.

Potentialities for indefinite upheaval and industrial dislocation are sensed in the C.I.O.'s American record of lack of control over newly enrolled adherents; unauthorized strikes and other violations of agreements that have been made; and the apparent aim to endow the new labor power with both economic and political influence. These and other developments have led many Canadian employers to class C.I.O. groups as uncertain and unreliable.

Disrupt Relations

There also is a conviction that a C.I.O. or any other union can gain a foothold in an industry only by fomenting demands productive of disruption of employer-employee relations and of economic handicaps on that industry. It can maintain its control of workers and the industry, it is argued, only by periodic future concoction of proposals that will keep workers "sold" on the union, but will keep industry increasingly in thrall and subject to costly disturbances.

To many employers, a particular source of concern is the threat of super-imposed unionization to employee relations developed over periods of years without, in some cases, a single outbreak of trouble in 25 or 30 years. The wounds caused by the discord and bitter feeling inevitably fostered by union-encouraged disputes would take years to heal, some executives fear.

Apprehension of such danger by industry generally is reflected, and thrust upon the unrealizing, in the current issue of "Industrial Canada," publication of the Canadian Manufacturers' Association. A full page editorial in the issue says in part:

"Activities instigating industrial conflicts, for the majority of which there is no real basis, constitute a grave danger to the continuation of industrial and business recovery. Canadian industry is facing a serious situation. Most people believe that industrial employees should have opportunities to discuss their views and problems with employers. Management recognizes this. But objection is taken to any foreign-organized stirring up of distrust and dissatisfaction in an otherwise contented staff."

Leadership Vital

In the plants of one large enterprise strongly established in Canada, there has never been a labor dispute or a strike in nearly 30 years of operation. According to company executives, this record has been achieved by recognizing that "trouble among men is caused by some leader."

"Where you have trouble you usually find an unsound leader, often a selfish leader, and he carries the men with him into a strike," one executive explains. "In the industry we operate, we have encouraged thoroughly sound patriotic people to become leaders in the plant and not the other element. You soon establish a feeling of confidence and the men don't want the other element."

In the plants in question, picked men have been given exhaustive and well planned training in all phases of the company's operations, the "course" lasting from three to five years. The selected men thus learn the workings of the company, the problems it must meet, and the problems of the men in all departments. Such men work in all departments and "balance up production," giving the men understanding, trusted leadership.

Investor's Index

INDUSTRIALS AND UTILITIES

Assoc. Brew.	10	Gr. W. Saddlery	4
Amal. Elec.	16	Great Lakes Pap.	16
Admin. & Trust	9	Geo. Weston	17
Anglo-Can. Tel.	5	Gen. Trust & Ex.	9
Abitibi	4	Hudson's Bay Co.	10
Bathurst	4	Hayes Steel	9
British Mtge.	16	Int. Utilities	4
B. C. Packers	16	Imperial Oil	4
Bank of Canada	21	Intercolonial C'l	17
B. C. Telephone	17	Int. Hydro-Elec.	9
Brandram-Hend.	5	Imperial Bank	17
Bell Telephone	17	Jones Bros.	4
Burns & Co.	14	Lake Sulphite	3
B. C. Power	16, 17	Montreal Tram.	4
Brazilian	17	Maple L. Gdns.	4, 11
Bathurst	10	McColl-Front.	16
Burns & Co.	4	Melchers	9, 16
Celtic Knit.	10	Metropol. Bldg.	8
Can. Westingh'se	10	McCormick's	12, 17
Can. Northern	17	Maritime T. & T.	17
Can. & D. Sugar	9	Montreal Pwr.	12, 16
Canada Malting	9	North of Scot.	10
Comm. Alcohol	9	N. B. Telephone	17
Can. Consol. Felt	14	N. S. Steel	17
C. N. R.	5, 14	N. B. Power	8
Canadian Car	14	Orange Crush	16
Can. B. of Com.	21	Price Bros.	4
Can. West. Gas	3, 14	Power Corp.	16
Can. Marconi	3, 5	Penmans	4
C. W. Lindsay	16	Que. Pulp & Pap.	9
Can. Canners	16	R. Mitchell	4, 10
Can. Vickers	16	Reliance Grain	16
Can. Gen. Invest.	16	Rolland Paper	16
Can. Celanese	16	St. Lawr. Flour	1
Can. Int. Paper	19	Saguenay Elec.	9
Can. Dredge	4	Saguenay Pwr.	9
Can. Northern	4	Simpson's	9
Dom. Foundries	11	Sec. Can. Inter.	5
Dryden Paper	16	St. Cath.-Stanley	21
Dom. Stl. & Coal	17	Sask. Loan	16
Dom. Rubber	14	Supertest	4
Dominion Tar	10	South. Canada	4, 17
Distillers Seag.	9	United Corp.	4
East Kootenay	16	Viau Ltd.	9
Foreign Power	16	Winnipeg Elec.	4, 10
Foundation Co.	10	W. D. Beath	4
Ford	4		

MINES AND OILS

Ainsworth	22	Lava Cap	22
Alden Goudreau	22	Lac-Teck	22
Aquarius Porc.	22	Lake Hill Gold	22
Altura Gold	22	McIntyre	4
Augite Porc.	22	McVittie-Kirk.	22
Ardeen	22	Melba Gold	22
B. C. Nickel	22	Mooshla Gold	22
Buffalo Anker.	22	McDougall Mines	24
Br.-Canadian	24	McMillan	24
Bankfield	24	McK. Red Lake	22
Cadillac Exp.	24	Orelia Mines	22
Chesterville	23	Pioneer	22
Coulson Consol.	23	Payore	22
Can. Malartic	24	Perron Gold	22
Central Duverny	22	Porc. Triumph	24
Cobalt Front.	22	Packsack	19
Cariboo-Hudson	22	Placer Devel.	24
Delosha Porc.	22	Red Lake G. S.	22
Electra Porc.	22	Sylvanite	24
Freehold Gold	22	Smelters	1
Golden West M.	24	Slave Lake G.	24
Hedley Amal.	23	Siscoe	23, 24
Hialeah Gold	22	Sol D'Or	24
Harwood Lake	22	Sullivan	22
Hudson B. Mng.	22	Towagmac	22
Int. Nickel	4	Ventures	23
Island Mount.	22, 23	Ypres-Cadillac	24
Kerr-Addison	23	Ymir Gold	19
Lamaque Contact	24		

QUOTATIONS

Bonds	18, 19	Industrial Stocks	18
Grain	19	Mining Stocks	18
Foreign Exchange	11		

Mistake in Message Facilitates Passage of Combines Act

(Continued from page 1)

within a few hours. And so the ministry decided to make the best of the situation, and agree to the changes which the Upper House had made in the bill. A few hours later in the Commons Mr. Rogers announced that he was "prepared to accept the amendments with reluctance."

While the changes made in the original bill by the Senate are recognized on Parliament Hill as largely destroying the arbitrary nature which the Government intended the bill to have, it is also believed that they have been the means of assuring the measure's constitutionality, which was otherwise in grave question. W. F. O'Connor, K.C., parliamentary counsel to the Senate, submitted an opinion to the banking and commerce committee of the Upper House which alluded to the powers proposed by the bill as "extraordinary, indeed shocking" and as invading the security of person and property to which an individual was entitled as his provincial right, so long as he did not forfeit it by criminal conduct. "Dominion jurisdiction over combines hangs, and always has hung, by a hair," Mr. O'Connor told the committee. He believed that when the Federal Government went out to devise "raid and seizure" legislation against a person as yet unaccused of a crime, it invaded the security of property and civil rights which it was the function of the provinces to preserve.

Ottawa Believes Conciliation Can End General Motors Strike

(Continued from page 1)

Mounted Police in readiness in the Toronto area.

Loss of Confidence

Such an action at such a time by Mr. Rogers is open to only one interpretation: That the Federal Government, at almost the beginning of the present dispute, lost confidence not only in Mr. Hepburn's tact in dealing with the situation, but also in the effectiveness of his methods.

As matters stand at the moment, accordingly, the Federal authorities may best be described as waiting with what patience they can muster for Mr. Hepburn to admit failure. Once he does so, they have fair hope that a fresh start under different auspices may yet achieve the desired goal of conciliation. As yet, however, the Federal Government does not propose to enter into the picture until both parties to the dispute are willing to have it do so.

It is important to remember that already in the course of the dispute the Ottawa attitude has changed—from one of resolved neutrality to one of readiness to enter the situation. So it might change again. If Mr. Hepburn should refuse stubbornly to admit failure and if his methods still fail to find favor in Federal eyes, there is the distinct possibility that the Dominion Government may view the matter as of sufficient importance to justify it in acting upon its own initiative and setting up some Federal agency of conciliation.

Mistakes Made

Two cardinal mistakes are blamed on Premier Heburn in his handling of the situation so far by Parliament Hill critics.

In the first place, he is condemned for his reference to "paid foreign agitators," a remark which Ottawa feels would apply with equal force to organizers of the American Federation of Labor. The result, as Federal observers see it, is alignment of A.F. of L. groups behind the embattled C.I.O. auto workers.

In the second place, Mr. Hepburn's refusal to even talk with Hugh Thompson, auto union agent, is regarded as having been not only arbitrary but also undiplomatic in the extreme. The attitude which successive Federal Governments have taken traditionally is that a minister's office is accessible to the public; while Prime Minister, Rt. Hon. R. B. Bennett received and heard some of the most outstanding Communists in the country. And while the General Motors Company may have refused adamantly to accord any status to Mr. Thompson, the Ottawa view is that Mr. Hepburn did not need to take his own cue from their action. He should have seen Mr. Thompson, it is felt, spoken to him reasonably, and laid before him frankly the situation which made his presence in the dispute undesirable.

Trouble Provoked

Briefly, the Federal Government is of the opinion that Mr. Hepburn, regardless of how right he may have been in his motives, simply asked for a fight by his truculent attitude—and got it. So unfortunate is his course considered, that Federal officials incline to the view that a fresh start under other auspices may well be necessary before conciliation can be achieved.

The decision of the United States Supreme Court on the Wagner Act of the Roosevelt administration is also looked upon as weakening the Hepburn position, even though the application of the act may not extend actually to Canada. The moral effect of that decision is expected to prove powerful by its influence upon the automobile workers and upon public opinion.

Under the Industrial Disputes Act, the Federal Government claims the right to intervene, even though both parties may not seek its services. The act applies primarily to public utilities and is obligatory upon them—optional in the case of other companies.

But one section of it gives the Minister of Labor power to set up a conciliation board if a municipality or the chief officer of a municipality so requests. And another section gives the minister the power to name either a board of conciliation or a commissioner if he considers the dispute of sufficient public importance to justify the step.

While the power of the minister to act in miscellaneous cases under this latter authority is not wholly clear, it has been utilized in the past without encountering any challenge.

In London..
rendezvous for Canadian visitors—the Waterloo Place Branch of Canada's oldest bank.

Head Office Montreal

Conveniently situated near shopping and theatre district, this office can take care of your every banking need.

BANK OF MONTREAL
ESTABLISHED 1817
MODERN, EXPERIENCED BANKING SERVICE
. . . the outcome of 119 years' successful operation
TOTAL ASSETS OVER $800,000,000

A—$5

Keep Your Eye on Things!

SIMPSON'S suggests these to assure you a "ringside seat" for sporting events this Spring! If you're a broker in the new Stock Exchange and experience difficulty in reading the quotations, you'll find an added use for those sketched, "A" and "B".

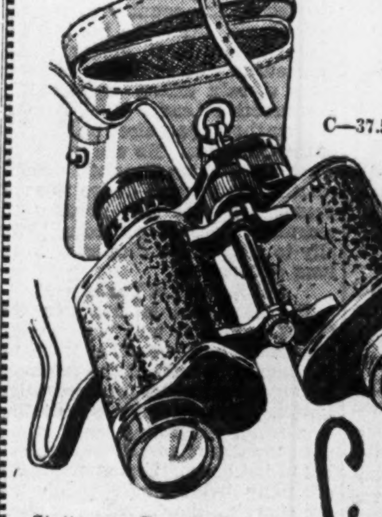
B—2.50

"A," light in weight, easily carried in pocket, various colors, pair $5.

"B", sports commentator type, fitting on ears, at 2.50.

"C", "Magnivu" binoculars from London, at 37.50.

C—37.50



Opera glasses at 3.25, 3.50, 4.50 and 5.95. Binoculars and field glasses at 18.75, 19.75, 33.50, $38, 42.50 to 138.00.

Stationery Department Street Floor.

Simpson's

Constructive Factoring

Introducing to Canadian business a comprehensive and flexible factoring service, which assures the enhancement of efficiency and profits.

Inquiries Invited

JAMES TALCOTT OF CANADA LIMITED
Factors
1470 PEEL STREET - - MONTREAL
Phone PL. 9771

We Maintain Markets in all
City of Toronto Bonds
and issues of
Toronto Harbour Commissioners

Flemming & Company
Investment Dealers
DOMINION BANK BUILDING - TORONTO ADELAIDE 3733

Profit Possibilities for Investors 5.

Common Stock Leaders High But Not Without Attraction

Purchase of Common Stocks Gives Investor Chance to Increase Income; Yields Ranging From 2.1% to 6.7% on Prosperity Group

By C. W. STOLLERY

There is little doubt that the cream of easy profits and big income has been skimmed off many of the leaders among Canadian common stocks in the remarkable rise of prices over the last five years.

It hardly seems likely, for instance, that the general average price of common shares will multiply threefold as it has since 1932. Many investors, in fact, feel that the better quality common stocks are now at prices too high to be considered attractive. Leading common shares, however, still appear to have possibilities of yielding substantial income, and justifying recent high prices. The possibilities for higher values have been modified, of course, by the rise that has already occurred, but they have not been exhausted.

Prosperity Period

Prospects for a period of prosperity are better now than they were in 1929. Interest rates are much lower and this alone justifies elevated values for leading stocks. Even though stocks are subject to periodical set-backs with the ebb and flow of business recovery, in the main they follow the general economic trend toward broader prosperity.

Common stocks offer the investor one of the most effective methods to give himself at least the chance of increasing income or capital; the quality of elasticity. In Lloyd's Bank monthly review, Hargreaves Parkinson, associate editor of The Economist, London, puts it this way:

"The trend of recent years toward improved quality in stocks has increased investors' prospects of receiving a relatively stable income, and emphasized their vested interest in maintaining, as far as possible, a steady capital price for a given income. In short, the fundamental difference between 1929 and 1937 is that whereas elasticity in probable future income was a sound argument for selling a security eight years ago, it may be an equally sound argument for purchasing or retaining it today."

Canada's Leaders

The investor who buys the leading common stocks usually requires at least moderate income and some possibility of increased returns sooner or later. Consider a list of some of the more attractive leaders among the common stocks of major companies, such as the one that follows:

Returns on Leading Stocks

	Price $	Div. Yield %	Earn. Yield %
Int. Petroleum	37	6.7	4.5
Can. Celanese	28	5.8	9.2
Goodyear Tire	86	5.6	5.5
McIntyre Porc.	39	5.1	10.1
Montreal Pwr.	31	4.8	5.6
C. Gen. Invest.	11	4.5	5.1
Steel of Can.	87	*4.3	†4.6
Noranda	72	4.2	5.7
B. A. Oil	24	4.1	6.0
Page-Hersey	105	3.8	4.0
Moore Corp.	44	3.6	7.0
Can. Packers	93	3.2	5.4
Int. Nickel	66	3.0	3.6
Building Prods.	67	3.0	3.3
Shawinigan	27	3.0	3.9
Brazilian	26	2.7	3.8
Dom. Bridge	56	2.1	1.0

*Including equalization payment. †On participating basis with preferred.

The earnings yield, shown in the third column, represents the percentage of latest reported earnings to the current market price.

Promise Better Things

The records of these companies all hold promise of better things for shareholders in a period of prosperity. The big question is whether prices of the various shares represent too costly payment for the prospective income.

International Petroleum shares appear to be reasonably valued in view of rising earnings, despite the fact that the company's statement does not show profits covering the dividends. There is basis for the opinion that the company is really covering the dividends because its working capital is no longer being decreased by the excess payments, notwithstanding what the income account shows.

Canadian Celanese shares represent a textile investment which does not appear to be overvalued and which could pay larger returns.

Goodyear Tire is the most favorably situated Canadian rubber firm, and is expected at least to be able to maintain present earnings. If profits only remain around $5 a share, the company could afford to continue its recent dividend generosity because of its powerful liquid position.

McIntyre Porcupine Mines, among the old established gold shares, has the advantage of a large and liquid investment portfolio. In retaining a major part of earnings, the company is providing a safeguard for the investor, a sort of protection against depletion of properties.

Montreal Power is largely an investment stock, and does not appear likely to increase its dividend for some time. But the return appears attractive in view of the possibility that eventually more dividends will be possible.

Bell Telephone shares, which are not included in this list, return about 3¾% and may pay larger dividends within a year. Such utilities, however, are more likely to be stable than spectacular.

Canadian General Investments is one of the larger Canadian investment trusts. The shares have the attraction of offering an investment in a widely diversified group of bonds and stocks, at a discount from market values. The per share value of holdings is over $4 above the market value of C.G.I. stock.

Steel Co. of Canada common stock appears to be pretty highly valued. The immediate prospects for income lies in the occasional payments to be made to liquidate $8 a share of extra dividends required on the common to equalize with preferred shares. Even with $2 a share on this account, the yield is moderate, but the shares may prove worth while in the long run.

Noranda has the attractions of both copper and gold. The shares are highly priced for investment purposes. But the fact that the company has never felt the full benefits of a period of sustained prosperity leaves room for higher income and perhaps for better values.

British American Oil Co. is earning well in excess of the $1 dividend and therefore has eventual possibilities of being a profitable investment.

Page-Hersey used to pay a $5 dividend and shows signs of being able to get back to that scale of payments. Rising costs may cut into earnings, but the company is also one whose business should be stimulated particularly by recovery in building which has been long deferred.

Moore Corp. common shares represent a stable type of equity investment which should participate in further business improvement in the next two or three years. A good part of its recovery from depression has already been discounted, but higher dividends appear probable in a period of prosperity.

Canada Packers common stock stands to benefit from continuation of the British preferential duties on hams and bacon. While the company may pursue a conservative dividend policy, to pay off the remaining bonds, there are possibilities of higher returns sooner or later.

Nickel Conundrum

International Nickel is a major investment conundrum. The company's earnings are still rising, and in fact must continue to do so to justify the present price of the shares. The possibilities, however, have not been exhausted, even though any further improvement is hardly likely to be as pronounced as that of the past four years.

Building Products shares, of course, pay a small return, but should benefit from revival of building which seems likely to develop within the next year or two.

Shawinigan is a sort of wholesale power utility. A moderate expansion of gross revenues should allow further increases in dividends. In view of this and the company's record, the stock has greater possibilities than some of the more stable utilities.

Brazilian is to some extent a gamble on further economic recovery in South America. The price of the shares already reflects the hopes of better dividends. The record indicates, however, that substantial returns even on the present price of the shares are possible.

Dominion Bridge shares are selling at about 100 times last year's earnings. This year's results should be considerably better, and the company has shown ability in prosperous periods to pay satisfactory returns on the present prices for the stock.

Other Prospects

Imperial Oil shares have been excluded from this discussion largely because the company's major revenue comes from International Petroleum Co. which is prominent in the list of leading stocks in the foregoing.

There are other important omissions. **National Breweries** and **Canada Malting** are instances. These tested investment stocks do not promise further increases in income, but still merit attention. **Canadian Car & Foundry** and **National Steel Car** shares are also worthy of the investor's scrutiny. Characteristic of the industry in which they operate, these firms are subject to wide fluctuations in earnings.

Common shares of companies producing newsprint paper also have investment attractions in view of the prospects of much improved earnings over the next two or three years. Most of them, however, produce no income at present, and there may be considerable delay before some of them return satisfactory income on present values. Senior securities with equity interests in some of the major companies have already been discussed in these articles.

One of the investor's problems in buying into the leading common stocks is the wide diversity of issues. Any boiling down of such a list as the foregoing is necessarily somewhat arbitrary. A condensation, however, should include, International Petroleum, Canadian Celanese, Noranda, Moore Corp., Canada Packers and probably International Nickel.

Stable Character

It must be remembered that the stocks discussed in this article include many of comparatively stable character. There is less possibility of investment fireworks, either in income or in the stock market, than for more speculative issues. But as a foundation for the purely equity holdings in a portfolio, the leading common stocks are desirable.

Another important point for the buyer of common shares is that many companies whose shares are regarded as in the front rank of Canadian equity investments will have to combat rising costs due to increases, partly inflationary, in process of materials and costs of labor. Most of the firms whose shares are discussed in this article have some sort of offset to rising costs, either in production or ownership of materials; ability to increase earnings in greater proportion than gross revenues; or in comparative stability of costs.

Another point of note in connection with this group of stocks is that yields vary from 2.1% in the case of Dominion Bridge to 6.7% for International Petroleum. The investor can spread his funds between two or three or four such issues, for an average yield of 4% or more. This does not appear to be an unreasonably low return to accept in exchange for the possibility of higher income as prosperity broadens.

This is the fifth in a series of articles on profit possibilities for investors. The sixth, discussing stock laggards and more speculative shares, will appear in The Financial Post next week.

HEADS BUS GROUP

H. R. Mallison, of Montreal, vice-president and general manager of Provincial Transport Ltd., who has been chosen president of the newly-formed Dominion Motor Coach Association.

Can. Western Predicts Rise In Gas Rates

Turner Valley Resources Are Being Depleted Rapidly

While assured of long life, Canadian Western Natural Gas, Light, Heat and Power Co. may have to increase its rates in the not too distant future due to depletion of the gas resources of the Turner Valley.

In commenting upon the depletion of gas resources of Turner Valley, H. R. Milner, president of the company, states in the annual report that the period during which the company will be able to supply its customers with remarkably cheap gas is rapidly drawing to an end.

At the present time Canadian Western Natural Gas is securing all its requirements from the Turner Valley field and there are no known adequate gas reserves in southern Alberta which could be substituted. This situation, Mr. Milner states, is causing the board of directors grave concern.

Referring to the depletion of the field the report states that rock pressure has declined from 2,050 pounds per square inch to 783 pounds. There probably remains in the field about 550 billion cu. ft. of gas, but by the time the rock pressure reaches 400 pounds, an additional 270 billion cu. ft. will have been withdrawn, leaving about 280 billion cu. ft., the greater part of which can never be recovered.

The company, Mr. Milner states, is hopeful of securing new sources of gas supply in southern Alberta within reasonable proximity of its transmission lines.

Declares Dividend

The company has declared a dividend of $1 a share on its common stock payable April 28 to shareholders of record April 27. The last previous payment was $1 a share on Jan. 30.

Can. Marconi Doubles Plant

From Our Own Correspondent

MONTREAL. — Canadian Marconi Co. has let a contract to Ross and Lacroix for the extension of their Montreal plant at a cost of about $100,000.

The addition means doubling the size of the present plant and the enlarged space will be used for purposes of general manufacturing, such as radio sets, broadcasting apparatus, transmission equipment, etc.

Lake Sulphite Stock Sold Out

From Our Own Correspondent

MONTREAL. — Lake Sulphite Pulp Co.'s public offering through a syndicate comprising R. O. Sweezey Co., Hanson Bros. Inc., and McLeod, Young, Weir & Co., of 150,000 shares no par value, at $26.50 a share, was heavily oversubscribed.

This forms the first part of the financing to be undertaken by the company, in connection with the establishment of a sulphite pulp mill in the Nipigon area of Ontario. Later on $3 millions of 20-year first mortgage bonds will be put on the market, probably carrying 5½% coupons.

The bonds and common stock were underwritten by R. O. Sweezey & Co., to net the company $6,060,000. Further, the company granted to the underwriters the right to purchase up to 50,000 shares at $25 a share at any time prior to March 1, 1942.

Lake Sulphite Pulp is proceeding with the immediate construction of a 200-ton bleached sulphite mill which will be brought into operation about the middle of next year.

Construction costs will total about $5 millions, leaving the company with $1 million of working capital. Further it is estimated that pulp can be produced at a mill cost of $39.75 a ton, which is considerably under the current market value.

CROWN TRUST COMPANY

ESTABLISHED 1909

CROWN TRUST COMPANY wishes to announce the opening on April 15th, 1937, of a Toronto Office at 80 King Street West, where a general Trust Company business will be transacted. J. RAGNAR JOHNSON has been appointed Manager.

"A CONSERVATIVE TRUST COMPANY FOR THE PUBLIC'S SERVICE"

ENQUIRIES ARE INVITED REGARDING OUR SERVICES AND CHARGES

Above: This International Model I-12 Industrial Tractor is one of a fleet of seventeen used by a prominent stevedoring company. It is shown transporting newsprint from boat to railroad.

At left: Here is an International TD-40 DIESEL TracTracTor operating under conditions which are familiar to every mining man. The TracTracTor and sleigh train of mining equipment and supplies are shown on Lac Seul, near Hudson, Ont.

For Economical Power, Come to INTERNATIONAL

The increasing ACCEPTANCE of International Industrial Power by experienced operators is **proof** that this organization is building to their requirements. On job after job, the hard work is being given to International Power. Users know that when RESULTS are needed, it is good business to depend on International.

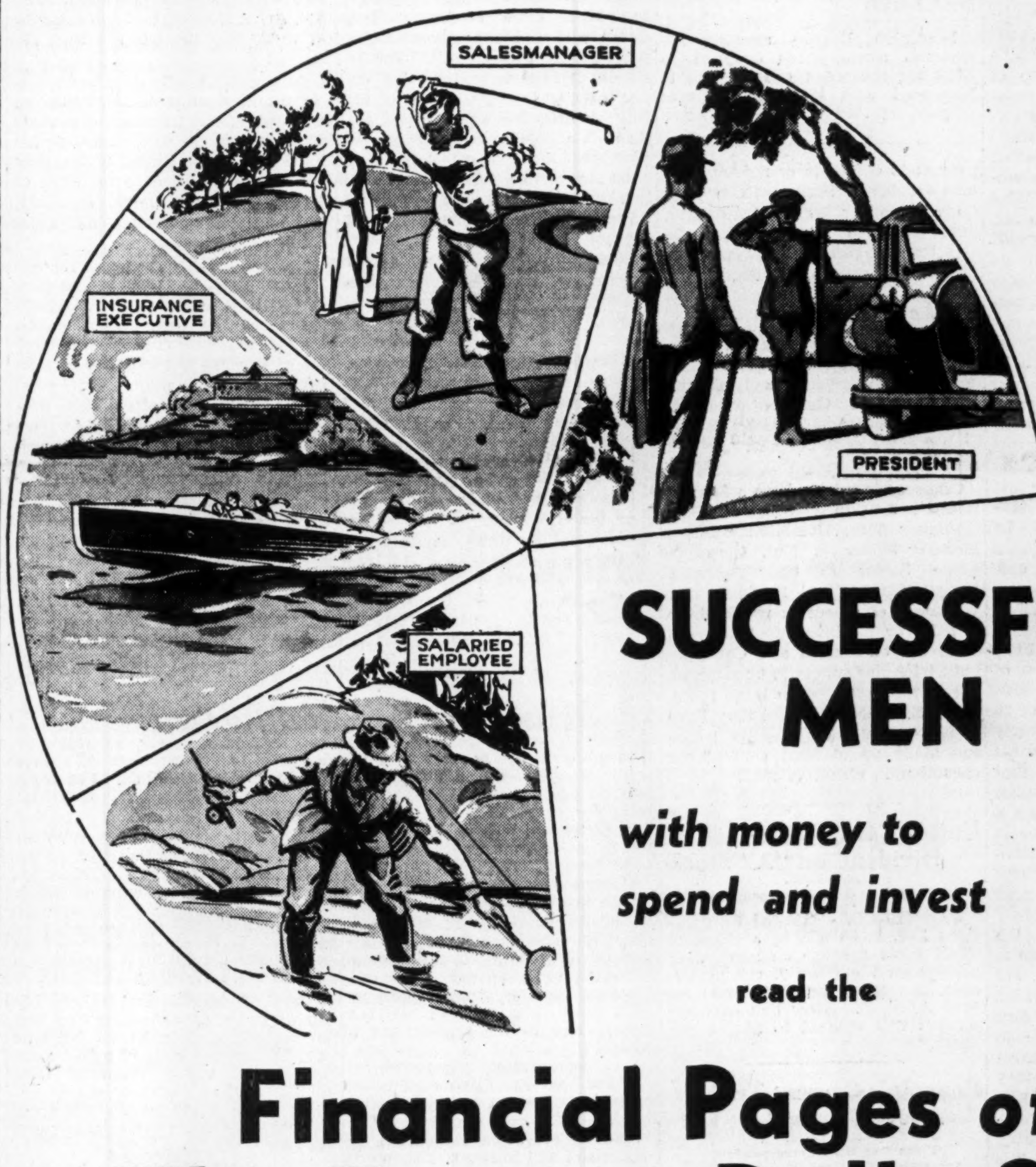
International Harvester builds for low cost of maintenance as well as for low cost of operation. International TracTracTors are the **most accessible crawler tractors on the market.** Replaceable cylinders in International engines are a great money-saving feature. Many other refinements in these products, plus **quality** construction in every detail, mean long life and low maintenance costs.

Rely on International Harvester, world's largest tractor builder, when you have a power problem. The International Industrial Power line includes wheel and crawler tractors, and power units ranging up to 110 max. h.p. See the nearby Company-owned branch, or industrial dealer, for complete information.

INTERNATIONAL HARVESTER COMPANY of Canada, Ltd.
Hamilton Ontario

Industrial Power Dealers: J. D. Adams, Ltd., Paris, Ont., Winnipeg, Man., and Edmonton, Alta.; W. L. Ballentine, Toronto, Ont.; B. C. Equipment Co., Ltd., Vancouver, B.C.; H. C. Burton, Hamilton, Ont.; J. Clark & Son, Ltd., Fredericton, N.B.; Coslett Machinery & Equipment Co., Fort William, Ont.; Gorman's, Ltd., Edmonton, Alta.; H. J. Hill & Sons, Port Arthur, Ont.; Lounsbury Co., Ltd., Moncton, N.B.; Laurentide Equipment Co., Montreal, Que.; Clark Robertson, Fort Frances, Ont.; Starratt Airways & Transportation Ltd., Hudson, Ont.

INTERNATIONAL HARVESTER



SUCCESSFUL MEN

with money to spend and invest

read the

Financial Pages of The Toronto Daily Star

Examples of Daily Star Coverage

Toronto	144,651
Barrie	1,107
Belleville	1,638
Bowmanville	730
Brampton	1,077
Brockville	672
Cobalt	289
Cobourg	672
Cochrane	395
Copper Cliff	393
Galt	1,054
Guelph	1,619
Haileybury	309
Hamilton	5,207
Huntsville	494
Kingston	2,119
Kirkland Lake	1,945
Kitchener	1,738
Lindsay	608
London	2,030
New Liskeard	489
Niagara Falls	1,367
North Bay	1,172
Oakville	1,119
Orillia	1,292
Oshawa	4,920
Owen Sound	1,049
Peterboro	1,531
Port Colborne	732
St. Catharines	2,102
Stratford	693
Sudbury	2,384
Timmins	2,044
Trenton	990
Welland	1,369
Whitby	763
Woodstock	675

Over QUARTER MILLION daily

The high quality of The Star's readership is beyond question. More men and women with money to invest read the financial pages of The Daily Star than any other daily paper in Canada.

The Daily Star offers you, Mr. Broker and Mr. Financier, a direct and economical way of reaching a multitude of prosperous people at the lowest proportionate cost in Canada.

In less than an hour after the market closes (including New York) each day, The Star is on sale with closing market quotations — plain facts — figures and news.

The Daily Star gives you greatest Toronto coverage and over 100,000 circulation outside of Toronto. In Northern Ontario alone, The Star offers you 44% more circulation than any five other metropolitan papers combined.

Make sure your advertising appropriation reaches this important audience. Our financial advertising representatives will gladly furnish you further information on request.

March Daily Average **255,939**

Largest Daily Newspaper Circulation in Canada

Representatives: J. B. Rathbone, Montreal; Chas. H. Eddy Co., Inc., New York, Chicago, Boston, Atlanta.

Investment Trends

Stock Price Slump Important Reversal

May Be Brief But Might Also Lead to Period of Recession — Inflationary Credit Influences Remain in Government Spending

The recent weakness of stocks is an important interruption with three possible interpretations outlined below.

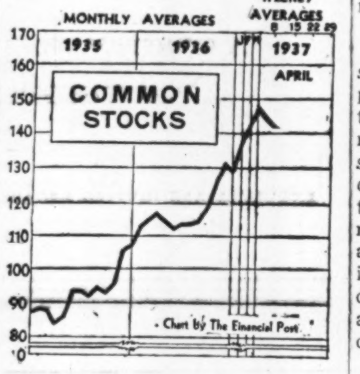
Although reduction in the price of gold might have partially deflationary effects in the United States, and adverse effects on gold mining stocks, it would not eliminate other inflationary aspects in the international credit situation. Retention of the high price of gold adds to the inflation virus.

Government spending in excess of revenues is inflationary, whether accompanied by gold juggling or not. Hence there remain inflationary influences in Canada, the United States, Germany, Italy, France, Japan and elsewhere. The British borrowing for rearmament stimulates inflationary forces.

Recent liquidation in the period of stock market weakness strengthens what is termed the technical position of prices. That is, the weakness tends to force holdings of speculators into stronger hands. This is reflected by reduction of stockbrokers' borrowings.

British opinion seems to continue favorable to U.S. and Canadian stocks in the belief that North American recovery is about 18 months behind that in Britain. The idea is that London prices have advanced earlier and that there may be similar profits to be made in our securities because of the time lag.

Indications are that demand for industrial metals, copper, lead, zinc, tin, aluminum, iron and steel and so on, will continue at a high level for some time. Consequently, high prices for metals are expected to continue to sustain prices of base metal shares.



DECLINE

Dominion Bureau average for common stock prices dropped to 141.3 for the week ended April 8, compared with 121.0 for the corresponding 1936 week.

Three Possibilities

The recent slump of stocks which has carried market averages below their former points of support opens up three important alternatives. They may be outlined as follows:

1.—Set-back of a few weeks.

2.—Downward trend of prices over several months.

3.—Reversal of the major advance which has been under way since 1932, and beginning of a long-range recession.

The first is regarded as the most probable outcome. If this reading proves correct, prices should strengthen and turn upward again within a month.

The second is regarded as a distinct possibility. But, barring adverse business developments which are not yet apparent, a slump of several months in stocks does not appear probable at present. However, it may come later this year.

As for the third possibility—that stocks are entering a major downward trend—it is dismissed by most market analysts. The feeling on this point is that economic recovery still has a considerable distance to go before there will be a major slump of stocks heralding another depression.

Pending clarification of the price trend, as between the probability of brief weakness and that of several months' decline, investors are being advised to retain their common stocks. One advisory service suggests that the decline is about two-thirds over with probabilities that the low point for this year will be established on the current decline to be followed by subsequent advance based on promising earnings outlook.

Oil Dividends

More oil company reports have appeared in the past week. That of Imperial Oil is the usual impressive document, showing deduction of 30 cents a share from surplus to pay the dividend of $1.25 a share. In this case, however, it is important that the reduction in net working capital was only a little over five cents a share. The financial position appears to allow continuation of dividends in excess of stated earnings without undue strain on the company's huge resources.

Circumstances surrounding the reports of Canadian Oil Companies and Supertest Petroleum Corp. are not entirely favorable. These firms reduced their net liquid assets materially in 1936, partly due to common dividends, partly to extraordinary expenditures. Since they are largely distributing companies without their own sources of crude, they do not benefit from rising prices for basic materials. In this respect they are situated somewhat similarly to McColl-Frontenac. Such firms might be well advised for the present to eliminate or reduce common dividends. Preferred dividends do not appear to be in danger, but preferred shareholders are affected unfavorably by payment of excessive common dividends.

Strike Effects

Ontario Steel Products Co., which has been enjoying a marked recovery, apparently suffers from the strike at the Oshawa plant of General Motors of Canada. It has been doing a good business in G. M. parts.

Other companies whose sales are affected by the stoppage include Goodyear Tire, Dominion Rubber, Morrow Screw & Nut, Canadian Acme Screw & Gear (Russell Motor), Hayes Steel Products, and a number of others in which there is little or no investment interest. Steel Co. of Canada and Canadian Industries also appear to be affected, but in the case of such large firms, including Goodyear Tire, they have widely diversified business which can make up at least part of the reduction in G. M. volume.

United Corp. Declares Dividend on "A" Stock

From Our Own Correspondent

MONTREAL. — United Corporations Ltd. has declared a dividend of 75 cents a share on account of arrears on the Class A stock, payable May 15 to shareholders of record April 30. After this payment arrears will amount to $2.62½ per share.

Penman's Current Trade Above That of Last Year

From Our Own Correspondent

MONTREAL.—Business this year is running ahead of a year ago shareholders of Penman's Ltd. were told at the annual meeting.

GOLD MINING IN NORTHWESTERN QUEBEC

Copies on Request

Devoted to a comprehensive survey of gold mining in Northwestern Quebec, the current issue of our quarterly publication "Investments" sets forth in detail the remarkable expansion of this new field, gold production of which increased from $76,000 ten years ago to $23,000,000 in 1936.

In addition, this issue of "Investments" also contains a large scale map of the area under review, showing the location of 156 properties either in production, under development, or in the prospect stage.

Investors will find much of vital interest in this publication; copies will be gladly furnished on request.

NESBITT, THOMSON & COMPANY LIMITED

355 St. James Street West, Montreal, P.Q.

Branches in the principal cities of Canada

Investment Notes

Nickel, McIntyre—Lehman Corp., major American investing firm, in the first quarter of 1937 reduced its holdings of International Nickel from 25,000 to 20,000 shares. Sale of the entire holding of 9,600 shares of McIntyre Porcupine stock is also reported.

* * *

Southern Canada Power—Recent changes in the tariff have had a retarding effect upon establishment of new industries in the Eastern Townships. However, Southern Canada Power Co. informs its shareholders that conditions are somewhat better and a number of U. S. firms are considering the idea of establishing Canadian branches.

* * *

Robert Mitchell—Operations of the company for the first two months of 1937 show an improvement over the corresponding period in 1936. According to S. B. Holland, president, the "future of the company appears brighter than for a number of years."

* * *

Great West Saddlery—Net profit of $13,881 for 1936 was earned in the 12 months ended Dec. 31, while the $1,362 shown for 1935 was earned over an 18-month period. In reporting this in The Financial Post of April 3, the 1935 earnings were reported as if for 12 instead of 18 months.

* * *

Bathurst—While admitting the results of the past year were disappointing, mainly because of conditions over which the company had no control, R. L. Weldon, president, states that increased demand for the company's products at higher prices than obtained last year had already manifested itself and improvements already in process or being installed in contemplation of increasing production and for more efficient operation, should be reflected in future operations.

* * *

Share Holdings—Apparently there has been some confusion about direct and indirect share-holdings reported in this column. For instance, last week we reported that one director held 100 shares of McIntyre Porcupine directly and that through a holding company he had increased his indirect holding by 5,000 shares to a total of 15,000. In this case, it is quite correct that the director held only 100 shares directly. But in addition he had a proprietary interest, through a holding company, in 15,000 shares. Total interest in the company, 15,100 shares.

* * *

Winnipeg Electric — The company's power contract with the Winnipeg city Hydro expires Sept. 1 next, but, according to President Edward Anderson, "It is hoped that the general increase in other business of the company will compensate for any reduction in revenue through the termination of this contract." Winnipeg reports state that employees will seek full restoration of pay cuts when wage agreements come up for ratification in May. The original cut in street railway workers' wages was 15%, which was changed to 13% last year.

* * *

Supertest Petroleum—The 1936 report does not give an entirely clear picture of the company's earnings, partly because the Ontario Companies Act is at fault in allowing over-simplification of statements. J. G. Thompson, president, commenting on redemption of the 7% preferred says, "It is felt that with the possibility of additional competition which has been developing in some of the large centres, it is sound policy and in the interest of the shareholders that the company be placed in a position to operate on a low cost basis."

* * *

British Purchases—It is notable that British investors have been net buyers of Canadian stocks and net sellers of bonds, but Americans have done the opposite according to reports of recent transactions. J. H. Crang & Co., Toronto Stock Exchange firm, reports that British speculative buyers have recently purchased substantial amounts of International Nickel, Brazilian and Dominion Steel & Coal. As to gold shares, this firm states that London financial men "'admit little interest in buying shares of established producers."

* * *

Abitibi—Opening of the Fort William mill May 1, as announced by Hon. Peter Heenan, Ontario Minister of Lands and Forests, will add 52,000 tons of newsprint to annual capacity. The four mills now open have annual rated capacity of 420,000 tons, or somewhat less than the receiver's estimate of production for 1937. Fort William would bring it to 472,000. The mill has been put into condition for operation. The Ste. Anne, Quebec, mill has capacity of 78,000 tons but has not been reopened.

* * *

Ford of Canada—C.I.O. activities in Oshawa, and truculent comments of C.I.O. officials with regard to the Ford firm in the United States, may have some significance for Ford of Canada sooner or later. However, the stock market does not seem much worried about it.

* * *

Jones Bros. of Canada—The plan of capital reorganization has been approved. For each $100 of bonds, the holder is now entitled to receive $50 of new 6½% bonds, $50 of new preferred stock and two common shares. Each share of old 6½% preferred will be exchangeable for five new common shares. And for each old common share the holder is to receive 1/5 new share.

Imperial Oil Year

G. Harrison Smith Says Petroleum Outlook Favorable; Statement Shows Conservatism

In reporting earnings of 95 cents a share for Imperial Oil Ltd. in 1936, G. Harrison Smith, president, states that prospects are favorable for the world petroleum industry during the current year. Directors believe the company may reasonably hope to benefit by the improved conditions which are expected to prevail this year, he adds.

Commenting on the slight increase in Canadian earnings, which were 12% of the total, Mr. Smith states that the increase was not proportionate to the increase in volume of business. He attributes this to contraction in the margin between sales prices and costs of raw materials, and to the higher rate of sales tax.

Conservative Figures

There appears to be an indication of conservatism in stating earnings in the 1936 report, according to The Financial Post's calculations. A reduction of $8.1 millions is shown in earned surplus because the dividends of $1.25 a share exceeded the stated earnings of 95 cents a share. However, working capital declined only $1.5 million. In effect, the excess dividend payments appear to be provided to a considerable extent by the allowances totalling $6.8 millions for depreciation made in 1936. Fixed assets of $108.2 millions have been depreciated in the balance sheet to $43 millions.

Attention is also drawn to the balance sheet by announcement that the Marine Department of Imperial Oil Ltd. has been transferred to a new subsidiary, Imperial Oil Shipping Co. Formed in Dec., 1936, the shipping subsidiary has outstanding capital of $5,000,500. This is based on transfer of assets formerly carried by Imperial Oil at approximately $12¾ millions. From this has been deducted $7¼ millions of depreciation reserve applicable to the assets transferred.

The transfer is reflected in reduction of about $5 millions in net capital assets of Imperial Oil. There is a corresponding increase of nearly $5 millions for investments in shares of subsidiaries. The total of such investments, however, is carried at only $44.1 millions.

Investments in subsidiaries include about 60% of the stock of International Petroleum Co. This holding alone has market value in excess of $300 millions and a net book value according to the balance sheet of International Petroleum Co. of about $95 millions. In addition, of course, Imperial Oil's investments in shares of subsidiaries include the shares of the new shipping firm and a controlling interest in Royalite Oil Co. On the basis of either book or market values, Imperial Oil's holdings of subsidiaries' shares appear to be worth somewhere from two to seven times the balance sheet value.

At the end of the year, Imperial Oil affiliates controlled 83 oil and gas wells in western Canada, 77 of them in the Turner Valley. Nine of the Turner Valley wells were closed for the whole year as part of the company's conservation policy.

Price Bros. New Stock Listed on Montreal Curb

From Our Own Correspondent

MONTREAL.—New capital stock of Price Bros. and Co. has been called for trading on the Montreal Curb Market.

Admitted to trading on the unlisted department were: $4,268,800 second mortgage 4% convertible debentures; 62,843 5½% redeemable preferred stock of $100 par value; and 536,807 shares of no par value common stock.

Significant Investors' Index Numbers

1926 — 100

No. of Securities	Mach. and equip. 8	Pulp and paper 8	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	586.7	228.8	73.1	142.4
Weekly Figures, 1937:												
Mar. 4 ..	167.1	37.1	123.0	249.7	79.4	191.9	139.9	210.4	610.9	241.9	73.3	148.2
Mar. 11 ..	169.3	38.5	128.3	249.3	80.4	191.4	141.0	216.2	631.8	245.4	72.4	149.5
Mar. 18 ..	166.9	37.8	126.0	244.5	81.1	188.4	144.2	211.9	623.2	242.2	70.4	147.1
Mar. 25 ..	167.8	40.1	127.5	237.4	80.6	186.7	140.0	208.9	597.2	235.4	68.3	143.2
Apr. 1 ..	170.2	45.1	127.2	238.2	81.0	188.1	139.8	214.2	610.6	238.1	68.6	144.4
Apr. 8 ..	168.0	50.2	120.2	236.7	81.8	186.3	137.0	214.9	572.6	232.3	67.3	141.3

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Apr. 13	176.45	139.59	184.05
Apr. 12	175.85	143.02	184.75
Apr. 10	177.09	145.76	187.59
Apr. 9	176.25	144.40	184.15
Apr. 8	176.08	144.75	182.87
Apr. 7	177.04	148.20	187.04
Month ago ..	183.15	148.16	209.28
Year ago ...	137.98	128.31	136.09
High, 1937 ..	187.67	168.59	215.36
Low, 1937 ...	163.39	143.02	182.87

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Apr. 13	81.3	116.7	104.9
Apr. 12	81.8	117.3	105.4
Apr. 10	81.8	118.3	106.1
Apr. 9	81.1	117.9	105.6
Apr. 8	81.3	117.1	105.2
Apr. 7	81.9	117.3	105.5
Month ago ...	87.8	116.7	107.1
Year ago	70.4	75.5	73.8
High, 1937 ...	92.5	122.2	109.5
Low, 1937 ...	80.6	107.8	101.3

Emp. Liability Assets Increase

Loss Ratio on Canadian Business is Less Than 40%

Reflecting mainly greater security holdings and stronger cash position, assets of Employers' Liability Assurance Corp., of London, England, increased almost $3 millions during 1936 and at the year end stood at $54.8 millions. These figures are on the basis of the pound being worth $5.

Reserve for outstanding losses now amounts to more than $18.8 millions, about $1.1 million more than at the end of 1935, and the balance in the appropriation account is up more than $700,000 at $1.2 million. Net surplus is unchanged at $12.5 millions.

Comparative figures on premium volume on various lines written in Canada are as follows:

Canadian Business

	1936 $	1935 $
Fire	517,780	530,328
Accident—		
Personal	214,448	200,135
Employers' liability and workmen's compensation	94,296	78,797
Other	167,702	143,300
Automobile	405,569	393,056
Burglary	70,802	69,594
Guarantee (Fidelity) .	88,225	116,679
Guarantee (Surety) ...	35,707	34,564
Sickness	96,036	89,070
Plate glass	11,342	15,220
Steam boiler	20,674	41,881
Property damage	4,476	2,902
Inland transportation .	940	......
Tornado	740	654
	1,728,737	1,716,181

Canada Northern Reports Progress

Extend Facilities to Take Care of Growth in Quebec Mining Area

From Our Own Correspondent

MONTREAL. — Further increase in mining activity in the areas served by the company had a favorable effect upon operations and earnings of Canada Northern Power Corp. during the first quarter of the current year.

The capacity of the Cadillac substation, east of Noranda, is being increased by the installation of three 1,000 kva. transformers, while plans have been completed for a similar addition to the equipment at Blouin Lake substation in the Siscoe area.

Active in Quebec

A new substation is being built at Provencher, near Arntfield, which will provide for the rapidly growing camp at Boischatel, west of Noranda.

In this area Aldermac Copper Corp. has placed its mill in operation and Powell Rouyn Gold Mines commenced utilizing electric power.

The following new customers have signed contracts with the company: Payore Gold Mines; Cournor Mines; Harricana Amalgamated Mines; and Wood Cadillac Mines. In addition the town of Rouyn renewed the franchise granted to the company for the supply of light and power.

Company Reports

Burns & Company

Burns & Co., Calgary packing firm, reports 1936 earnings sufficient to cover the combined charges on fixed interest bonds and on income bonds over 1.8 times after allowing depreciation. Interest charges increased due to the rise in rate from 3½% in 1935 to 5% in 1936 on the bonds on which interest payment is mandatory.

Net profits were equivalent to $2.13 a share on the class A stock on a participating basis. This compares with $2.05 a share in 1935 after adjusting interest charges for purposes of comparison. The 1936 earnings on the class B shares were equivalent to $1.13 a share on a participating basis.

Inventories increased nearly $1.1 million in 1936, and bank loans rose correspondingly from $481,659 to $1,554,408. The larger inventories are attributed by Mr. Burns partly to higher prices and partly to heavy slaughterings in the last three months of the year.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	937,703	908,250
Less: Exec. salaries ..	32,398	34,500
Legal fees	216	257
Directors' fees	8,238	6,500
Net earnings	896,851	866,993
Add income from subs.:		
Rents	5,593	3,830
Interest	6,743	477
Dividends	3,302	2,048
Net property rent ..	21,785	22,253
Other income	8,844	9,558
Net income	943,118	905,159
Less: Depreciation ...	320,741	313,154
Mortgage int.	5,850	6,450
Bank interest	3,690	4,213
Fixed bond int.	169,420	116,044
Income bond int. ...	168,032	164,463
Income tax	80,000	66,000
Net profit	195,385	234,835
Add: Prev. surplus ..	374,268	139,433
Surplus forward	569,653	374,268

Working Capital

	1936 $	1935 $
Current assets	5,373,590	4,078,973
Current liabilities	2,497,094	1,344,162
Working capital	2,876,496	2,734,811

Maple Leaf Gardens Ltd.

A net profit equivalent to 38 cents a share on its $10 par preference shares is reported by Maple Leaf Gardens, Toronto, for the year ended Oct. 31, 1936, as compared with earnings of 50 cents a share in 1935. Dividends of 35 cents a share were paid in each year on the preference.

The original $750,000 first mortgage has been reduced to $645,000 at Oct. 31, 1936. The mortgage is repayable in annual installments of $35,000, with the balance due in 1946.

Income and Surplus Account
Years Ended Oct. 31

	1936 $	1935 $
Operating revenue ...	240,437	252,827
Add: Net rev. from pur. & sale of players	15,251	......
	255,688	252,827
Less: Amusement tax.	105,946	88,479
Interest	43,157	45,705
Inc. tax prov.	6,133	9,918
Net income	100,451	108,725
Less: Depreciation ...	51,042	46,828
Write offs	9,031	9,032
Amort. players' contracts	......	12,128
Res. for player purch.	10,000	......
Net profit	30,378	40,737
Less: Pref. dividends..	28,000	28,000
Surplus for year	2,378	12,737
Add: Prev. surplus ...	95,149	84,675
Adjustments	2,095	*1,263
Surplus forward	102,622	96,149

*Deduction.

Working Capital

	1936 $	1935 $
Current assets	99,694	82,322
Current liabilities	46,624	69,090
Working capital	53,070	13,232

Imperial Oil Ltd.

Imperial Oil Ltd. had net earnings totalling $25.6 millions in 1936, or 95.04 cents a share, compared with $25.2 millions or 93.56 cents a share in the preceding year. Of the total, 88% came mostly from investments and only 12% from Canadian operations.

As usual the income account is subdivided under three headings: Canadian operations, transportation, and "other income" which comes from investments. Net income from Canadian operations was 11.43 cents a share compared with 10.75 cents a share in 1935. Net from transportation and investments totalled 83.61 cents a share in 1936 compared with 82.81 cents a share in 1935. There are 26,965,078 shares outstanding.

Although the income accounts show a net deficit of nearly $8.1 millions due to payment of dividends of $1.25 a share, being in excess of stated earnings, the working capital reduction was only $1.5 million.

The principal change in the balance sheet arises from transfer of $12¼ millions of fixed assets, together with $7¼ millions of depreciation reserve from the marine department to a new subsidiary, Imperial Oil Shipping Co. Ltd. The effect of this change is to show a reduction in net capital assets and a corresponding increase in investments in subsidiaries.

Income and Surplus Account
For the Years Ended Dec. 31

	1936 $	1935 $
Canadian income, after exps.	9,828,390	10,192,719
Less: Depreciation ...	6,104,520	6,484,189
Prov. for inc. taxes..	641,629	808,951
Candn. net income ..	3,082,241	2,899,579
Transport income after exps.	2,422,585	2,022,233
Less: Depreciation ...	745,758	758,952
Prov. for inc. taxes	273,526	221,272
Net transport. income	1,403,301	1,042,009
Other income:		
Divds. from subsids.	22,182,022	22,036,106
Less: Can. inc. tax..	3,166,566	2,689,753
Int. on invest.	1,311,137	1,280,046
Less: Can. inc. tax..	165,361	79,291
Profit on sale of secs.	981,511	741,762
Less: Can. inc. tax..	......	608
Other net income	21,142,743	21,288,262
Total net profit	25,628,285	25,229,850
Less: Dividends	33,706,347	33,697,278
Surplus for year	*8,078,062	*8,467,428
Add: Prev. surplus ..	73,947,084	82,414,512
Surplus forward	65,869,022	73,947,084

*Deficit.

Working Capital Position

	1936	1935
Current assets:		
Cash	13,862,431	12,454,544
Marketable secs.* ..	23,749,603	27,450,046
Accts. receivable ..	12,164,428	12,093,744
Inventories	27,911,901	27,918,458
Total	77,688,363	79,916,792
Current liabilities:		
Accounts payable ..	1,619,584	2,075,166
Amts. owed subsids.	860,594	1,508,296
Income tax reserve.	4,119,995	3,726,176
Total	6,600,173	7,309,638
Net working capital ..	71,088,190	72,607,154
*Market value	24,127,027	27,763,078

Montreal Tramways

Montreal Tramways Co. reports a gross revenue of nearly $3.5 millions in 1936, or practically the same as the year before. Of the past year's revenue, all but $95,915 was received by the company under the contract with the Montreal Tramways Commission. The report points out that of the amount owing under the contract there was $101,465 due but unpaid. Added to the previous deficiency under the contract, payments in arrears now total $342,444. After setting up $400,000 for depreciation, the surplus after dividends, for the past year, totalled $5,972, as against $4,501 in 1935.

The general balance sheet as at the end of 1936 shows no change in the first mortgage debt. Outstanding and general refunding mortgage bonds were reduced to $48.3 millions, a reduction of about $155,000 for the year. Contract reserves show a moderate reduction, while the company reserves increased by nearly $200,000. Among the assets, call loans increased during the year from $1,235,000 to $1,325,000. On the other hand cash was lower, but investments were up at $2.6 millions.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Contract revenue	3,382,279	3,393,865
Other revenue	95,915	92,950
Total income	3,478,194	3,486,815
Less: Bond interest ..	2,397,378	2,408,892
Foreign exchange ..	33,285	30,394
Other expenses	9,559	13,028
Depreciation	400,000	400,000
Net profit	635,972	634,501
Less: Dividends	630,000	630,000
Surplus	5,972	4,501
Previous surplus	4,298,629	2,644,128
Trans. from reserve ..	......	2,250,000
Less: Add. deprec. ...	600,000	600,000
Surplus forward	3,704,601	4,298,629

Working Capital

	1936 $	1935 $
Current assets	2,022,620	1,762,258
Current liabilities	997,349	1,027,719
Working capital	1,125,271	734,539

Canadian Dredge

The annual report of Canadian Dredge and Dock Co. records less satisfactory operations in the 11 months ended Dec. 31, 1936, than in the previous 12 months, net profit being equivalent to only $2.12 a share compared with $5.02 a share in the year ended Jan. 31, 1936, although provision for depreciation was smaller.

Actually, operations were even less satisfactory than is indicated by this figure, operating profit for the period being only $206,627 as against $725,411 in the previous 12 months. However, a transfer of $140,000 from reserve for work in progress bolstered income.

Since net profit amounted to only $201,017, surplus had to be drawn on to the extent of $83,307 in order to pay dividends of $3 a share.

Working capital declined during the year by $456,947. This is accounted for in part by capital expenditures of $81,000 and to expenditures of $120,974 applicable to 1937 operations. The company is also building a new steel tug and steel derrick scow. Capital assets increased during 1936 by $124,000.

Reserve for work in progress which stood at $240,000 at Jan. 31, 1936, is no longer shown in the balance sheet.

The lighter volume of work in 1936 is mainly due to the fact that work on the company's principal contract was stopped since sufficient funds had not been voted by the Government. It is expected that this work will be resumed this year. Contracts on hand are in excess of $1 million.

Cons. Income and Surplus Account
Years Ended

Income:	Dec. 31 1936 $	Jan. 31 1936 $
Operating profit ...	206,627	725,411
Trans. from res. for work in progress..	140,000	......
Revenue from bonds	8,375	4,885
Interest earned	4,315	4,302
	359,317	734,598
Less: Executive salaries	28,500	29,050
Directors' fees	5,000	5,000
Legal fees	......	3,271
Net earnings	325,817	697,277
Less: Depreciation ...	80,000	125,000
Income taxes	44,800	91,981
Net profit	201,017	480,296
Less appropriations:		
Pref. divds.	......	4,499
Common divds.	284,325	281,502
Surplus for year	*83,307	194,295
Add: Prev. surplus ..	955,016	769,644
Less: Tax adjust.	12,382	861
Trans. to cap. surplus	......	7,500
Prem. on pref. red.	......	562
Balance forward	859,325	955,016

*Deficit.

Working Capital

	Dec. 31 1936 $	Jan. 31 1936 $
Current assets	857,842	1,376,142
Current liabilities	46,186	107,512
Working capital	811,656	1,268,630

International Utilities

Higher earnings are reported by International Utilities Corp. and its subsidiaries for 1936, earnings on the class A shares of International Utilities being equivalent to $2.43 a share. In 1935 nothing was earned on the class A shares.

Net profit for the year of $759,728 available for distribution on the capital stock of International Utilities Corp. is exclusive of net profit on sales of marketable securities amounting to $466,578 and net loss on sale of other investments of $419,495, which amounts were carried to capital surplus.

During 1936 the various classes of stocks outstanding in the hands of the public were reduced as follows: $7 prior preferred from 10,989 shares to 5,335 shares; $3.50 prior preferred from 108,837 shares to 90,704 shares; $1.75 preferred from 94,708 shares to 84,455 shares; class A stock from 124,062 shares to 105,804 shares; class B stock from 1,229,890 shares to 1,227,995 shares.

Working capital has increased by over $1 million to $5.4 millions. Marketable securities carried under current assets at $5,042,447 had a market value at the end of 1936 of $6,706,403.

Capital surplus has been increased from $1.4 million to slightly more than $2 millions. Additional reserves aggregating $605,582 have been provided, principally against investments in the small New England gas subsidiaries of American Equities Co. and the investments in South American Utilities Corp. and Spanish securities.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating revenues:		
Water	2,512,021	2,400,287
Electric	1,755,049	1,648,656
Gas	3,939,455	3,790,334
Ice	80,198	79,463
Hot water	43,879	43,594
	8,330,603	7,962,334
Other income	531,798	293,243
Total income	8,862,401	8,255,577
Less oper. expenses:		
Operations	3,621,541	3,418,643
Maintenance	545,609	479,373
Taxes	711,769	657,658
Res. for bad debts ..	35,796	44,103
Net earnings	3,947,686	3,655,800
Less: Deprec. & deplet.	817,645	893,115
Bond interest	1,337,480	1,287,168
Income taxes	254,713	237,849
Other interest	48,100	54,285
Amort. debt disc. ..	33,846	84,731
Exchange	1,171	2,122
Pref. divds. of subs.	515,285	512,071
	871,879	572,721
Less: Portion due min. interest in subsids. .	112,151	78,372
Net profit	759,728	494,349
Less dividends:		
$7 prior pref.	87,540	48,359
$3½ prior pref.	400,986	179,976
Surplus for year	271,202	266,014
Add: Prev. surplus ..	2,071,910	1,905,263
Trans. from amort. res.	364,445	......
Adjust. minority int.	4,442	51,976
Misc. adjusts.	......	18,657
Less: Damage claims..	223,591	......
Fixed assets w/o ...	140,854	......
Loss on invests.	20,574	......
Adjust. min. int. ...	10,736	......
Prem. on bonds	13,333	......
Misc. adjusts.	8,823	......
Prov. for reefund ..	......	170,000
Balance forward	2,294,088	2,071,910

Working Capital

	1936 $	1935 $
Current assets	8,279,316	6,388,398
Current liabilities	2,831,119	2,030,783
Working capital	5,448,197	4,357,615

W. D. Beath & Son

W. D. Beath & Son, Toronto, manufacturers of steel containers, doubled the operating profit in 1936, but provision for partial depreciation resulted in another deduction from surplus. Working capital, however, showed a slight improvement.

Lance B. Beath, president, states the company is making progress with new lines and that regular lines are showing improvement. Judging by the first three months' operations, he says, "there is every indication that 1937 sales will show a substantial increase over 1936." He adds that advances in costs of either labor or materials would curtail sales.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	10,577	5,292
Less: Idle plant costs .	2,310	2,264
Partial depreciation .	11,647	......
Loss on equip. sold.	3,911	955
Dismantling loss ...	......	6,740
Adjustment	164	......
Deficit for year	7,454	4,667
Prev. surplus	30,368	35,035
Surplus forward	22,914	30,368

Working Capital Position

	1936	1935
Current assets	275,189	257,796
Current liabilities ...	34,162	23,054
Working capital	241,027	234,742

Construction is Expanding—

Dominion Tar & Chemical Company, Limited

4½% Bonds, due November 15th, 1951

Price: 101 and interest, yielding 4.40%

Mail enquiries receive prompt attention.

Wood, Gundy & Company Limited

36 King Street West Toronto

Toronto Montreal Winnipeg London, Eng. Ottawa Hamilton Vancouver London, Ont.

TELEPHONE: ELGIN 4321

We have prepared an interesting and instructive treatise on "Bleached Sulphite Pulp—Its nature and use"

Sent on request

R.O.SWEEZEY&CO. LIMITED

132 St. James Street, West

MONTREAL

The Greenshields Review

A discussion of the current wheat situation is included in the April issue, a copy of which is available on request.

Greenshields & Co

Members Montreal Stock Exchange
Montreal Curb Market

507 Place d'Armes, Montreal

TORONTO OTTAWA QUEBEC SHERBROOKE

101

Canada Steamship Lines

What is the outlook for the company in 1937?

Are its Securities attractive at current prices?

Write or telephone for our analysis.

Thomson, Martin & Company

330 Bay Street Toronto

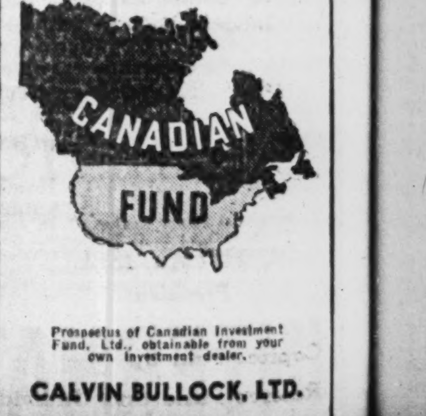
WAverley 3041

An Investment in MANAGEMENT

• Commonwealth International Corporation Limited—through purchase of its shares—offers you the benefit of the expert management enjoyed by nearly 50 successful corporations in Canada and the United States—as well as its own Board of Management record of over 100% share value enhancement. Price approximately $4.50 per share.

CANADIAN ALLIANCE CORPORATION LIMITED

Royal Bank Building, Montreal



Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Bond Markets

High Grade Bond List Develops Better Tone

Beauharnois and Maclaren-Quebec Issues Actively Traded—Volume of International Trade in Securities Continues Large

The high-grade bond market has developed a better tone, prices of Dominion of Canada and eastern provincial issues remaining practically unchanged. The fact that prices have remained firm since the first of the month would seem to indicate that the downward trend has run its course. A further sharp decline is not expected in the near future.

Little interest is being evidenced in western provincial bonds, buying being confined to selected issues which have recorded fractional advances. Prices of other issues have remained unchanged.

Interest in newsprint continues, but prices have declined from their recent peaks.

Canada Steamship Lines 6's have advanced 4½ points to 73½. Beauharnois 5's and Maclaren-Quebec 5½'s have also been in demand, the former advancing well above 60 and the latter three points to 99½.

The Alberta Legislature has passed an amendment to the charter of the city of Calgary approving the refinancing plan which has been proposed for that city. A proposal made in the Legislature to have the Edmonton refinancing plan submitted to a plebiscite has been rejected.

Gold Clause

The gold clause payment has no longer any meaning as far as Canadian bond issues are concerned, legislation having been passed by the Dominion Government abrogating the "gold clause obligation." Similar legislation has also been passed by some of the provinces.

Under the provisions of the federal act "gold clause obligations" payable in Canada may be discharged by payment of the nominal or face value of the obligation in Canadian currency.

If the "gold clause obligation" is payable outside of Canada it may be discharged by tender of the nominal or face value of the obligation in the legal tender of the country in which the obligation is payable.

The act also makes valid payments made in legal currency prior to the act becoming law.

Actually the act is little more than a legal formality. Payments in gold have not been made since Canada went off the gold standard and gold could not be secured in this country for that purpose.

Brazil Bonds

The "Oswaldo Aranha" scheme which at present governs the external debt payments of Brazil, comes to an end March 31, 1938. By the terms of the scheme the whole situation must be reviewed not later than September of this year.

In recent vague but discouraging reports cabled from Brazil, The Investors' Chronicle of London, Eng., sees traditional manoeuvring on the part of Brazil to attempt to convince bondholders that they cannot hope for even a continuance of debt service as at present. As in the past this manoeuvring will probably result in the liquidation of bonds by general investors and a decline in prices.

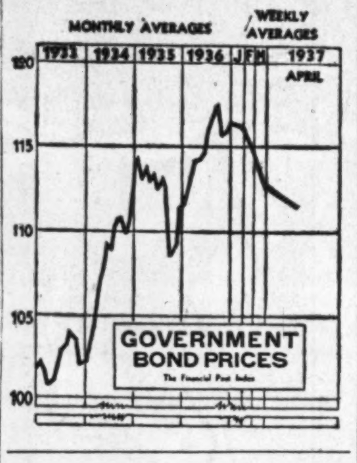
Bondholders and those who represent them should lose no time in making it clear that they will not accept a reduction in debt service from the present level. Without doubt there has been improvement in the economic situation in Brazil and there should be further improvement as a result of rising commodity prices. If Brazil wishes to preserve any hope of future borrowing in London or New York, not only must the current rate of payment on its debt be maintained, but something must be done for the junior bonds which are receiving no interest whatsoever.

The Investors' Chronicle suggests that any new scheme that may be devised should be of a permanent nature and that, as at present, the responsibility for Brazil debt service should be centralized.

Trade in Securities

Weakness in the Canadian bond market during February was not due to liquidation by foreign investors. Canada, in fact, had a net balance of sales of $3.6 millions of bonds in international trade in securities in February.

Transactions in February continued in the unusually large volume attained in January, the monthly bulletin of the Dominion Bureau of Statistics shows. Whereas on total transactions there was a net balance of purchases from foreign sources in January of $5.9 millions, in February there was a net balance of sales to foreign investors of $12.9 millions. Total sales by Canada for the month were $69.1 millions and total purchases by Canada $56.2 millions. The net balance of sales in transactions with the United States was $3.6 millions and in transaction with Great Britain $7.1 millions.



U. S. Buys Bonds

For the first time the bulletin shows the nature of the securities making up the sales and purchases. Sales of Canadian securities constituted 59% of the sales by Canada, while over 34% of the remaining sales were of United States securities. An analysis of purchases by Canada shows that 50% were repurchases of Canadian securities and 40% were purchases of U.S. securities. Most of the net sales for the month were of Canadian securities.

Sales and purchases of bonds and debentures were considerably smaller than transactions in common and preferred stocks. Bond transactions were largely confined to Canadian issues, while trading in preference and common stocks was fairly evenly divided between Canadian and U.S. securities. The net balance of sales to the United States for the month consisted mainly of bonds, while the net balance of sales to Great Britain consisted largely of common preference stocks.

Montreal's Debt

Some interesting figures as to the distribution of the city of Montreal's $271,757,625 funded debt as to rates of interest, dates of maturity and place of payment were presented to the city council of that city recently by Lactance Roberge, director of finance. The distribution is as follows:

Classified as to Interest Rate

Coupon Rate	Amount $
7%	496,000
6.446%	8,426
6%	21,722,500
5½%	340,000
5%	55,923,557
4½%	128,947,143
4¼%	7,001,000
4%	19,190,199
3½%	9,676,400
3%	18,935,000
2½%	9,517,000

Classified as to Maturity

Maturity Date	Amount $
1937-40	27,932,100
1941-50	107,934,264
1951-60	84,915,443
1961-70	32,793,918
1971-74	18,181,900

Place of Payment

	$
Canada only	105,175,552
Montreal and London	62,157,527
Montreal and New York	88,266,000
Montreal, New York & London	5,220,206
London only	1,177,340
New York only	9,761,000

Price Index

The trend of the high-grade bond market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Apr. 13	111.71	3.493	Apr. 13	114.15	3.331
Apr. 12	111.68	3.497	Apr. 11	114.15	3.331
Apr. 10	111.64	3.503	Apr. 10	114.15	3.331
Apr. 9	111.64	3.503	Apr. 9	114.15	3.331
Apr 8	111.64	3.503	Apr. 8	114.18	3.330
Apr. 7	111.64	3.503	Apr. 7	114.35	3.317
Year's	116.80	3.026	Years'	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Paper, A ..	6%	1945	June 4	103¼
Avon River Pr. D.	5%	1964	July 1	103
Randolph Hotel	*6½%	1947	May 1	105
Connors Bros. ..	6½%	1938	May 1	105
Can. Steamships	5%	1943	Aug. 15	105
Mar. T & T. A	5%	1956	July 1	104
Simpson, Robt., Ltd.	5%	1952	July 1	105
Ames Holden Tire	†7%	1943	May 1	105
Gen. Stl. Wares A	6%	1952	May 1	104
Hinde & Dauch A	5½%	1948	May 1	102½
Nat'l. Util. Corp.▲	6%	1948	Apr. 27	...
Tor. Housing, A.	•5%	1953	May 25	105
H. Walker-G. & W. conv. debs. ...	§4½%	1945	June 1	104

For sinking fund: *$9,000. †$17,700. •$37,000.

§$1,250,000; any of the debentures thus called may be converted into common stock of Hiram Walker-Gooderham & Worts Ltd. prior to June 1, 1937 at $45 per share.

▲Tenders called $11,500.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Investor Wanted

WANTED MAN WHO CAN PURCHASE half interest in established general contracting business operating in Montreal for the past 22 years. Excellent opportunity for young man with construction ability and good business connections. Will stand strictest investigation. Box 45, The Financial Post, Toronto.

Stamps Urgently Wanted

WE PAY 10/- PER LB. ON ALL USED Stamps (any kind). Collections wanted. Send parcels to TRYER & COMPANY LIMITED, 77 Overstone Road, Northampton, England, and receive cash by return.

Manufacturer's Advertising Manager

EXPERIENCED ADVERTISING MANAGER. Canadian, exceptional qualifications, Columbia University trained in advertising. Background of agency and catalogue work. Strong agency and publication contacts. Imposing references. Influential connections. Interested contributing broad international experience to substantial Ontario manufacturer. Salary basis and preferably contract. Knows Canada and markets well. Box 43, Financial Post, Toronto, Ont.

Senate Passes C.N.R. Measure On Financing

70% of Dominion's Debt Is Due to C.N.R. Operation

The balance sheet and income account of the Canadian National Railways in future years will present a somewhat more favorable picture as a result of passage by parliament of the recapitalization bill providing for a reduction of $1,800 millions in the active liabilities of the railway as shown by its accounts.

Strong efforts were made both in the House of Commons and in the Senate to secure an amendment to the bill providing for an appendix to the C.N.R. financial statement which would show the total cost of the railway to the Government in detail. The Government steadfastly refused to accept such an amendment but did insert a section in the bill which makes provision for publishing annually, as an amendment to the public accounts of the Dominion, a statement showing the total assistance given by the Dominion to all railways. It is also to show the manner in which such assistance has been dealt with in the public accounts.

Settle Differences

Differences between the Conservative majority in the Senate and the Government were settled when Hon. C. D. Howe, minister of transport, offered an amendment providing that the C.N.R. balance sheet should carry the following footnote:

"The proprietor's equity is disclosed in the net debt of Canada and in the historical record of Government assistance to railways shown in the public accounts of Canada."

Suggest Consolidated Accounts

In making representations that an appendix to the balance sheet of the C.N.R. should show a complete and continuous record of the accumulated costs of the railway from year to year, The Canadian Chamber of Commerce further suggested that the Dominion Government should publish a consolidated balance sheet. In this connection it was pointed out that from the point of view of taxpayer and investor the situation can only be properly shown by a consolidated balance sheet. A pro forma consolidated balance sheet of the public accounts as at March 31, 1936, and of the C.N.R. as at Dec. 31, 1935, shows the consolidated liabilities of the Dominion Government to be as follows:

Liabilities

	$
Canadian National Railways:	
Bonds held by public	1,154,779,001
Minority interest	4,584,225
Current liabilities	45,330,202
Deferred liabilities	3,423,088
Credits & reserves	35,272,608
Government grants	2,570,905
Govt. temporary loans	72,683,250
	1,318,643,279
Portion of Dom. debt applicable to C. N. R.	1,363,401,424
	2,682,044,703
General:	
Funded debt less sink. fund	3,211,347,008
Less: Debt applic. to C.N.R.	1,363,401,424
	1,847,945,584
Ins. & superannuation funds	150,614,097
Other liabilities	69,982,921
	2,068,542,602
Total liabilities	4,750,587,305

C.N.R. Debt Large

While the balance sheet indicates that of total Dominion Government liabilities of $4,750 millions, $2,682 millions is attributable to the C.N.R., the amount is actually in excess of $8,177 millions. Excluded from the figure shown in the balance sheet is $495 millions of accrued interest and interest on $241 millions of Government contributions for cash deficits charged to the consolidated fund. Neither does it include interest on the cost of that portion of the C.N.R. lines which are known "Canadian Government Railways."

TRUST MANAGER

J. Ragnar Johnson, who has been appointed manager of the new Toronto office of Crown Trust Co., is a law graduate of the University of Manitoba and of Harvard University. He practised law in Winnipeg and was a crown counsel for the Manitoba Attorney-General's Department before joining the Crown Trust Co.

Municipal Finances

Shelburne, N.S., has struck its 1937 tax rate at $4.75 per $100 of assessment. Estimated expenditures for the year are $16,757.

Windsor, N.S., has struck its 1937 tax rate at $4.40 per $100 of assessment, an increase of two cents over 1936. The highest rate ever paid by Windsor taxpayers was in 1930 when the rate was $4.61 per $100 of assessment.

Kentville, N.S., has struck its 1937 tax rate at $4.80 per $100 of assessment, the same rate as in 1936. Estimated expenditures are $80,280. Total assessment is $1,373,640.

Glace Bay, N.S., will be the only town in Nova Scotia to pay elected representatives on the civic aldermanic board if a bill now before the Nova Scotia Legislature passes. The bill calls for an annual remuneration of $190 for each member of the council.

Ottawa tax collections in the first three months of the current year were $77,999 higher than in 1935, amounting to $1,468,219. Water rate collections were $52,598, a decrease of $445. Collections of arrears increased $25,238 to $338,023. Prepayments increased by $53,206 to $1,077,596.

Winnipeg may be faced with a taxpayers' strike. At a recent meeting 400 taxpayers decided to refuse payment of their tax bills if taxes and expenditures are not reduced by the city council.

Chatham, Ont., reports that revenue of its public utility commission in 1936 was the highest in history, amounting to $245,777. Net surplus after all charges was $4,471.

St. Boniface, Man., in an effort to stimulate building, has passed a bylaw exempting from general municipal taxation all buildings erected during 1937 and 1938. The exemption extends to 1942.

New Toronto, Ont., has struck its 1937 tax rate at 58 mills after allowing for the Ontario Government subsidy of one mill.

Preston, Ont., has reduced its tax rate by three mills to 44 mills. Careful paring of proposed expenditures, the subsidy of one mill from the Ontario Government and a lower county rate contributes to the reduction.

Galt, Ont., has reduced its tax rate by 1½ mills to 40½ mills. This is the lowest rate the city has enjoyed since 1921.

Windsor, Ont., has approved a new scale of salaries for civic employees. The increase over last year's salaries, exclusive of the board of education, separate school board, library board and public utilities commission, is $75,670. The ultimate aggregate increase is expected to amount to about $96,000.

Sherbrooke, Que., reports a surplus in 1936 of $94,273, compared with a surplus of $35,712 in 1935. Capital account shows assets exceeding liabilities by $3.7 millions. Current assets amount to $650,737 as against current liabilities of $494,014. The electric light department showed a net profit for the year of $61,691 after all charges.

St. Boniface, Man., in the face of a $14,000 slash in the Government relief grant and increased costs of hospitalization and social services, has passed an approved budget for 1937 which embodies a reduction of 5% in the mill rate and a 5% wage increase to civic employees. The tax rate has been set at 57.5 mills for the St. Boniface school district and 53.5 mills for Norwood school district.

Halifax, N.S., relief costs in March showed an increase of 10.14% over the same month of last year, amounting to $33,189. The amount authorized by the city council for relief during the quarter ending Apr. 30 is $100,000. On Apr. 15 the relief committee eliminated from relief rolls single men under 45 years of age and all others whom it felt should be able to provide for themselves.

Security Offerings

Anglo-Canadian Telephone

From Our Own Correspondent

MONTREAL. — The balance of Anglo-Canadian Telephone Co.'s refunding issue of 5½% cumulative preferred stock is being publicly offered at $52.50 a share, to yield about 5¼%, by W. C. Pitfield & Co.

Under the old set-up, the company had outstanding 66,000 shares of 7% cumulative preferred stock, all of which has been called for redemption on May 1 next. In its place the company is issuing 72,600 shares of 5½% preferred. Of the old stock, 79% was refunded, so that the current offering amounts to around 20,000 shares.

Second Can. Inter. Trust

From Our Own Correspondent

MONTREAL.—W. C. Pitfield & Co. are making a public offering of 150,000 shares of participating preference stock of Second Canadian International Investment Co. at $10 a share and accrued dividend.

This company was incorporated early in the year as an investment company of the management type. The Canadian board of directors will be assisted by a British advisory committee. The investment policy provides that not more than 10% of its capital can be invested in any one security or more than 25% of the capital in the securities of any distinct class of business or industry.

The capital of the investment trust will consist of $1.5 million of preference stock divided into shares of $10 par value and 50,000 shares of common stock divided into shares of a par value of $10. From the proceeds of the sale of the capital stock the company will have a net capital of $1,935,000. The preferred will carry cumulative dividend of 4% and will participate in further distribution of any dividend over 40 cents a share on the common stock.

Canadian Marconi Co. May Get Beacon Order

From Our Own Correspondent

MONTREAL.—Possible new business for Canadian Marconi Co. is seen in the supplementary estimates which provide for the additional appropriation of $75,000 covering maintenance and construction of radio direction-finding stations, radio beacons and other features.

This equipment will be required in connection with the new Trans-Canada Air Service and, it is believed, Canadian Marconi will share in this work.

Norman Holland Heads Brandram-Henderson

Norman Holland has been elected president of Brandram-Henderson Ltd. at the annual shareholders' meeting, succeeding Peter R. Jack.

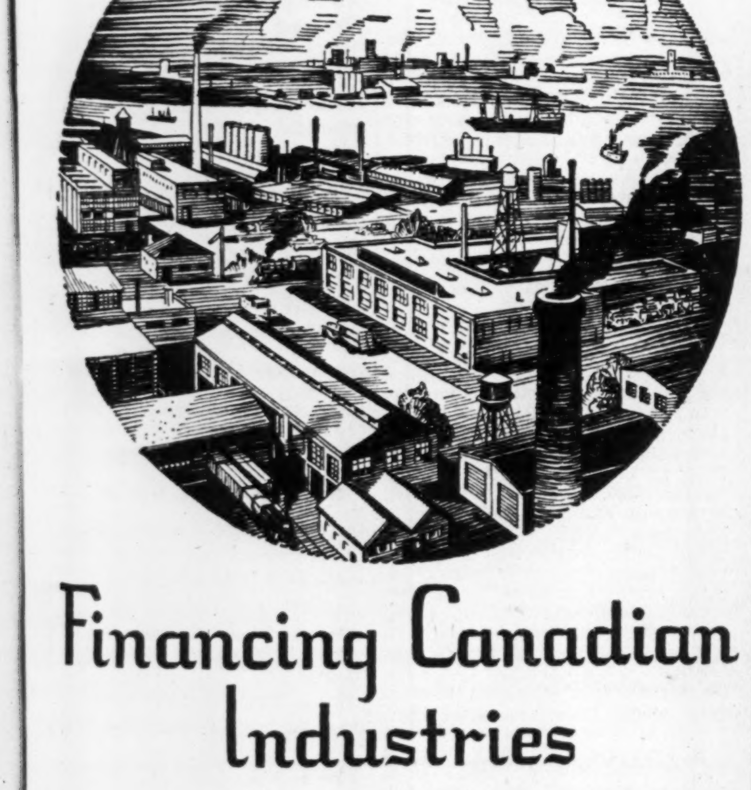
The old board of directors had announced its intention of not standing for re-election at the meeting and, accordingly, a new board was chosen. The new directors are: J. McG. Stewart, Halifax; Brig.-Gen. J. A. Gunn, Toronto; Hugh Kearns, B. V. Atkinson and Trevor Holland, all of Montreal.

Hughson Joins Curb

From Our Own Correspondent

MONTREAL.—John W. Hughson, of Ottawa, senior partner of the brokerage firm of Hughson Bros. & Co., has been elected a member of the Montreal Curb Market.

LAKE SULPHITE PULP
COMPANY LIMITED
COMMON SHARES
NO PAR VALUE
PRICE AT THE MARKET
Full details will be gladly furnished upon request.
HANSON BROS.
INCORPORATED
Founded in 1883.
255 St. James St. W.
MONTREAL
OTTAWA TORONTO



Financing Canadian Industries
The Dominion Bank invites applications for credit to develop sound Canadian business. The funds entrusted to it belong in the main to Canadian depositors. The Bank therefore welcomes opportunities of extending credit to undertakings which employ Canadian labour and create new Canadian wealth. 440
THE DOMINION BANK
ESTABLISHED 1871
C. H. CARLISLE, President
DUDLEY DAWSON, General Manager
Capital Paid up $7,000,000
Reserve Fund and Undivided Profits $7,668,977

paintable permanent
ACOUSTI-CELOTEX
Reduces Noise
J. B. BUCKHAM
3 Broadway, Toronto
Acoustics, Noise and Insulation
CONSULTANT

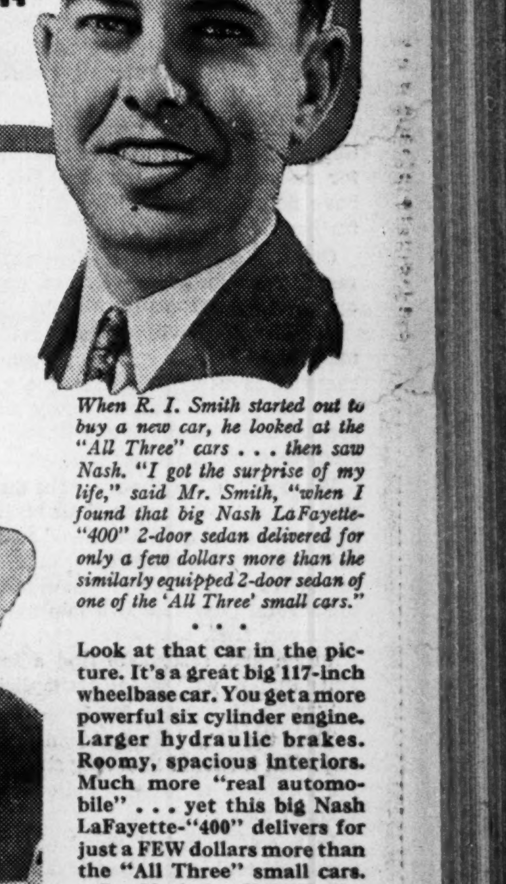
Direct Private Wire Facilities to
NEW YORK MONTREAL
WINNIPEG CALGARY VANCOUVER
J. R. Timmins & Co.
MEMBERS:
NEW YORK STOCK EXCHANGE
TORONTO STOCK EXCHANGE
CANADIAN COMMODITY EXCHANGE, INC.
COMMODITY EXCHANGE, INC. (New York)
NEW YORK: 61 Broadway and Chrysler Building
TORONTO: 347 Bay Street, Tel. *ADel. 8132
MONTREAL: Royal Bank Building

WRIGHT HENDERSON & Co., Ltd.
Investment Securities
Telephone MA 6367
231 St. James St. W. Montreal

We beg to announce that
Lt.-Col. Chas. J. C. Porteous
Mr. Clary S. Booth
are now connected with our firm.
R. C. GAMBLE & CO.
Members
Toronto Stock Exchange—Montreal Curb Market
Canadian Commodity Exchange, Inc.
282 Notre Dame St. W. MONTREAL BElair 2841
244 Bay Street TORONTO WAverly 1091

G-H Wood's
Zef-ir Deodorizing Blocs
to pleasingly condition the Air
in all Public Lavatories etc.
G. H. WOOD & COMPANY LIMITED
Toronto and Montreal
Zef-ir Bloc and Fixture

"IT'S SWELL TO BE OUT OF THE 'ALL THREE' CLASS"
"I'M STEPPING OUT IN A BIG BEAUTIFUL NASH—AND IT COST ME ONLY A FEW DOLLARS MORE* THAN ONE OF THOSE SMALLER CARS!"



When R. I. Smith started out to buy a new car, he looked at the "All Three" cars . . . then saw Nash. "I got the surprise of my life," said Mr. Smith, "when I found that big Nash LaFayette-"400" 2-door sedan delivered for only a few dollars more than the similarly equipped 2-door sedan of one of the 'All Three' small cars."
• • •
Look at that car in the picture. It's a great big 117-inch wheelbase car. 100-horsepower six cylinder engine. Larger hydraulic brakes. Roomy, spacious interiors. Much more "real automobile" . . . yet this big Nash LaFayette-"400" delivers for just a FEW dollars more than the "All Three" small cars. See Nash for VALUE. See the X-Ray System at Nash dealers now.

Actual photograph of Nash LaFayette-"400" 2-Door Sedan with trunk

*FOR AS LITTLE AS $3 OR $4 A MONTH EXTRA YOU CAN GET OUT OF THE "ALL THREE" CLASS. The Nash LaFayette-"400" 4-Door Sedan with trunk DELIVERS for just a FEW dollars more than the similarly equipped 4-door sedans of the "All Three" small cars. In many places, the SLIGHT difference in price amounts to just $3 or $4 a month extra on your time payments.
$33 A MONTH! Ask about the convenient terms and low rates available through the Nash C. A. C. Budget plan. In most places, you can pay as little as $33 a month on your time payments. Automatic Cruising Gear now available on all Nash Models at slight extra cost.
$810 and up. . . . NASH LaFAYETTE-"400" $810 and up; NASH AMBASSADOR SIX $1030 and up; NASH AMBASSADOR EIGHT $1170 and up. All prices Canadian list and subject to change without notice. Special equipment extra.
Auto Service Limited . . . 685 Queen St. West . . . WAverley 9773
Blythwood Motors . . . 2709 Yonge Street . . . HUdson 1134
Kingsway Auto Sales . . . 3191 Bloor St. W. . . . JUnction 7346
Windermere Motor Sales . . 753 Vaughan Rd. . . . MElrose 7764
H. R. Holmes Motors, Ltd., 1365 Queen St. W. . . . KEnwood 6412
Wilson & Hargrave, Ltd. . . 2 Teddington Park Ave. . . HUdson 6960
Rosedale Garage Co., Ltd., 921 Yonge Street . . . MIdway 4625
Tatum Motors Ltd. . . . 776 King St. East . . . Hamilton, Ont.
BREAY-NASH MOTORS LIMITED — 1152 Bay Street, Toronto, Kingsdale 5141

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada. The Financial Post Has the Largest Paid Circulation of All Canadian Financial Papers

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

THE FINANCIAL POST BUSINESS YEAR BOOK, YEARLY, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES, YEARLY, $2.
THE FINANCIAL POST SURVEY OF MINES, YEARLY, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES, HALF YEARLY, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE, $20 monthly. Special prices for individually selected investor's service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, YEARLY, $10.
THE FINANCIAL POST SURVEY OF CANADIAN OILS, YEARLY, $1.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Avenue, Toronto 2

Founder and Chairman — JOHN BAYNE MACLEAN
President — HORACE T. HUNTER
Vice-President and General Manager— H. VICTOR TYRRELL

ADVERTISING RATES
Single insertion—$3.64 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5 per year, all other countries, $6.

MONTREAL—Dominion Square Bldg., Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

GREAT BRITAIN, London—Resident representative, J. K. Ross-Duggan, Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1. Telegraphic Address, Atabek, Lesquare, London.

TORONTO, APRIL 17, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

The Fathers of Re-Confederation. 6

APPOINTMENT of the Royal Commission on Public Finance will not solve the constitutional problems of Canada nor end our legalistic growing pains.

The Royal Commission will study one important phase of the problem and one only. But it is the most pressing phase and the one that must be eased before any permanent and just re-writing of the constitution of Canada can take place.

This is what the Royal Commission will be expected to do:

To survey the field of government in Canada.

To recommend which class of government—Dominion or provincial—should assume those responsibilities which now seem to fall between two stools.

To recommend suitable transfers of function from one class of government to another in order to achieve greater efficiency in planning and administration.

To study the sources from which taxation and other public revenues are or can be derived and then to suggest to which class of government should be allotted the different types of revenue.

To analyze the effect on public finance in the various sections of Canada of our tariff policy, our transportation policy, and other measures of national economic control and to outline financial policies that will offset inequalities and injustices that may have arisen in their operation. This will involve a thorough survey of the system of provincial subsidies.

There is an infinite variety of related problems that will have to be studied. For instance, Canadians will expect the Commission to advise us on such a question as the establishment of a Loan Council, so that we may determine whether or not we should consider Dominion and provincial credit as indissolubly linked even though it is the hope of Mr. King and Mr. Dunning that each class of government should be put in a position to stand upon its own feet.

There is the larger question of the sum total of taxation in Canada in relation to the national income and the sum total of debt in relation to the national wealth. Some homely words of wise advice may be forthcoming as to the direction in which the nation as a whole is moving—whether to insolvency or to financial solidity.

Having gotten the recommendations of the Commission we will have a financial pattern for re-confederated Canada. But we shall have nothing more. There will still remain further steps to be taken.

One step will be that of adapting the recommendations to our system of government; applying the pattern to reform.

Another step will be to provide for the machinery whereby the pattern can be changed as new problems develop; to prevent the present unsatisfactory situation of constitutional deadlock and financial impasse from developing again.

What will follow the report of the Commission has not been made clear. But the next step will probably be a national constitutional conference. This conference, in which representatives of the Dominion authority and of the several provinces will join together, will endeavor, first, to re-draft the present constitution and, second, to find a formula for amending it with greater simplicity in the future.

Thus the Royal Commission is but a first step. But it should be a long step, pointing in the direction of greater national unity and sounder public finance.

In a coldly logical mood of attention to practical problems, the Royal Commission may indeed help us to recapture the spirit of 1867.

This series of editorials is now concluded.

Quebec's Backward Step

THE Quebec Government appears to have had a change of heart as to its financial objectives. In his first budget speech last October Hon. Martin Fisher, provincial treasurer, stated:

"It is my firm conviction and belief that it is the duty of the Government to so conduct the business of a province as to ensure that it lives within its income.

"We intend to reconstruct and rebuild better the financial structure of the province. It will take time to arrange our financial problems, but we have confidence that with our great natural resources, the thrift, integrity and perseverance of our people and the determination of this Government to practise common-sense methods of living within our income, thereby we will restore this province to a happy position of contentment and prosperity."

Despite this pledge, made less than a year ago, the Quebec Government has brought down a budget for the 1937-38 fiscal year which provides for a deficit of $14.9 millions after taking into account unemployment relief and public charity expenditures. If capital expenditures are taken into account then the deficit will be, the Government estimates, $31.3 millions. Despite its economy pronouncements the Government is providing for increased expenditures.

In discussing a proposal to appoint a royal commission to investigate the taxation system of the province, Premier Maurice Duplessis recently stated:

". . . . Under the present circumstances it is useless to think of meeting ordinary and extraordinary expenditures from revenue. The revenue is insufficient."

Revenue may be insufficient but as was indicated by the provincial treasurer last October it is the duty of the Government to live within its income. In other words, it must either reduce expenditures or increase taxation so that the budget can be balanced. One of the first canons of sound public finance is that expenditures, other than capital, should be met out of revenue. This is especially true in prosperous periods such as Quebec is experiencing at present.

For years Quebec has been regarded as a stronghold of sound public finance. Continuance of the present trend will endanger the financial position of the province. As was pointed out in the Bank of Canada report on Alberta, one of the reasons for the financial difficulties of that province was unbalanced budgets for a long period of years. Does Quebec want to follow in Alberta's footsteps?

It is generally conceded that Ontario and Quebec are well advanced on the road of economic recovery. Both provinces are facing a period when governments must budget for surpluses in order to reduce debt piled up during the depression years. Continuance of deficits in times such as the present is bound to weaken the financial position of Quebec Government and perhaps lead to financial difficulties in the future.

Premier Duplessis would do well to read the Ontario budget which reported a surplus of $7.3 millions for the year ended March 31, 1936, and, after providing for a reduction in taxation, forecast a surplus of $2.2 millions in 1937-38. He would be well advised to study the implications of Premier Mitchell Hepburn's statement that "a balanced budget is the real basis of national credit and likewise the bulwark of private credit."

Alberta's Self-Injury

THE great province of Alberta is harming itself more than anyone else in the repudiation of government obligations.

There is a definite economic penalty against any government which fails to honor its debts. This is the dispassionate comment of the Bank of Canada in its recent report on the finances of the province, as follows:

"There are legal and moral reasons for the fulfillment of contracts, but, leaving these entirely out of consideration (although we do not minimize their importance), we believe that self-interest alone should have induced Alberta to fulfill its contractual liabilities in respect of interest.

"Default produces a lack of confidence which is not confined to prospective buyers of Government bonds. It has its repercussions on the investment of capital in enterprise, and hampers economic development."

The way is still open for Alberta to retrace the false steps that have been taken. The far-sighted course of economic wisdom and government honesty would be for the province to pay the interest that has already been defaulted. Then, like other provinces, Alberta could arrange for temporary financing through the Dominion Government, pending the Royal Commission enquiry into the whole field of government responsibilities and revenues in Canada.

Our National Police Force

A SUGGESTION made not long ago by Sir James MacBrien, Commissioner of the Royal Canadian Mounted Police, deserves much more attention and consideration than it has had.

Maj. Gen. MacBrien suggested that Ontario, Quebec and British Columbia follow the example of the other six provinces of Canada and turn over all provincial police work to the national police force, thus effecting a saving of approximately a million dollars a year in law enforcement.

The saving of a million dollars a year—which is probably estimated with care—would be a factor secondary to the improved efficiency that must certainly result. There has never been any suggestion of political interference in the operation of the R.C.M.P. and this cannot be said of all our provincial police forces.

In each of their provinces there are adequately organized local police forces dealing with public peace in the municipalities. There is needed, however, a police system to look after law enforcement in unorganized districts and to tie together the many threads which local police must necessarily leave lying loose. This plus service in law enforcement, especially as it involves so many nation-wide problems such as the drug traffic, immigration, smuggling, illegal liquor trade, etc., can best be directed on a national scale. As a matter of fact, a great deal of it is now carried on by the Royal Canadian Police in the provinces where there are also provincial and municipal police. Thus, in three provinces, there are three separate types of police force at work.

When Sir James MacBrien made his suggestion, Hon. Arthur W. Roebuck, Ontario's radical attorney-general, immediately rushed into print to say that the suggestion was "beyond the bounds of serious consideration." It is easy to believe that any business-like proposal looking to economy, to elimination of party appointments and to adequate protection of the public would be regarded by Mr. Roebuck as beyond the bounds of serious consideration.

The only other voice we have heard raised in protest is that of the daily Communist newspaper in Toronto, which dislikes the proposal as much as Mr. Roebuck does.

When Canada Becomes a Nation

DIFFERENT provinces in Canada insist upon retaining a full measure of sovereign power in many fields of government policy and administration.

Because their present revenues will not permit them to perform these functions thoroughly and efficiently they insist that the Dominion turn over to them additional taxation powers. Most popular among the suggestions is that the sales tax should be surrendered to the provinces.

If a study could be made of the sources of sales tax revenue, compared with the places where the Dominion Government spends its money, it would no doubt demonstrate that the Maritime Provinces and the Western Provinces in particular are net beneficiaries under the present system. The sales tax, charged on goods when they leave the hands of the manufacturer or the customs office, is a tax that is collected very largely in the major centres of trade. But that tax is spent all over Canada in performing governmental functions.

If the provinces had the sales tax it would simply mean that Ontario and Quebec would enjoy increased revenues larger than the benefits they would lose. The Maritime Provinces and the Prairie Provinces would have imposed upon them much new governmental responsibilities without a commensurate increase in revenue. It is, of course, assumed that if the Dominion gives up the sales tax the provinces will have to look after certain social expenses without assistance from the central government, such as old age pensions and direct relief.

The chief objections to greater centralization in government in Canada come from the provinces of smaller population—the three Maritime Provinces and the four Western Provinces. Yet these are the provinces which stand to benefit the most from making a nation out of Canada. Only in the building up of a stronger central government can they hope to gain the full benefit of taxation on industry, trade and wealth that tends from year to year to become more and more concentrated in the central areas.

Under further decentralization the tax burden would become relatively higher in these seven provinces and this would tend in the direction of further centralization of industry and trade.

The way out of provincial financial problems is not to give the provinces more to do and more money with which to do it, but to hand over to a central government those governmental functions which can be best performed on a national scale.

Editorials in Brief

"The following items were passed in committee of supply . . . . Canada's contribution to the expenses of the League of Nations for 1937, including secretariat, International Labor Organization and Permanent Court of International Justice, $155,775."—Hansard.

Any rain-check with the receipt from the League?

• • •

"It is axiomatic, of course, that as soon as tariffs go up on any commodity the price the consumer has to pay for that commodity is increased. If every time customs duties were boosted the wage-earner could collect more pay for his labor to meet the added cost, our economic inequality would not be so pronounced."—*The Victoria Times.*

That tariffs increase prices is hardly axiomatic. There are many industries in Canada which have used the protection given them in their home markets, to expand their production, modernize and extend their plant and machinery and lower prices to the consumer. The tire industry is one that steadily reduced prices no matter in what direction tariffs moved. When the magazine publishing industry was given a fairer deal than it has now, the leading national magazine of Canada cut its price from 10 cents to five cents a copy.

Sayings of the Week

"Put your money in Canada." — *Lord Rothermere.*

• • •

"If necessary we'll raise an army to stop these agitators."—*Premier Hepburn.*

• • •

"Those who seize property not their own are in the category of housebreakers."—*Henry Ford.*

• • •

"Labor unions are backed by war-seeking financiers and take away a man's independence." —*Henry Ford.*

• • •

"Our best defense against the Americans and theirs against us is to have no defense at all."—*Stephen Leacock.*

• • •

"Civilized nations are as individualistic and quarrelsome as 60 hermits brought to live in one village."—*Rear Admiral Richard Byrd.*

• • •

"I believe the rearmament fever will abate in a year or two when supremacy of armament has been obtained by the richest nations."—*Chancellor Schuschnigg.*

• • •

"You can rest assured that if there had been anything of a shady character in my life it would have been unearthed long ago and published."—*Premier Aberhart.*

• • •

"If the government sees fit to destroy the rights of the workers there is no longer democracy in this country. A state of fascism has been set up."—*Hugh Thompson, C.I.O. organizer at Oshawa.*

—*Cartoon by Grassick.*

JACK CANUCK: "Glad that proved a dud."

Would Profits Increase Wages?

By W. J. CAMERON
Ford Motor Company

We have a question to consider tonight. From an eastern state a listener asks:

"If all Ford profits had been given to the help, how much additional would they have received?"

He probably meant "dividends" when he wrote "profits;"—for dividends would give him the information he evidently desires; but to make sure we shall answer the question in both senses.

Taking the enquiry literally, as asking how much more Ford employees would have received had all the profits been divided among them, the answer is that there would be no Ford employees, no Ford profits, no Ford Motor Co., and no one concerned with this question and answer. Let us see why.

A Progressive Workman

Henry Ford began business in a little shop with 75 men. Himself a workingman, with progressive ideas of workingmen's rights, he intended to build into his business, as soon as he could, certain basic improvements in industrial relations. We have previously told how, as a workingman during the era of the ten-hour day, he induced his employers to let him demonstrate the advantages of an eight-hour day.

But with all his progressiveness, common sense told him he could not level his business every Saturday night and start from scratch again every Monday morning. Anyone can see what would have happened had he called his men together every week and divided among them the week's profit.

Two Alternatives

What would have been left for experiment, equipment, improvement, growth? Nothing. The little shop would have stayed little. Its crude methods would have remained crude. Its primitive car could not have advanced beyond the primitive stage.

Other manufacturers, investing their profits in better equipment, would have made a better product to sell at a lower cost and so sell more, and in consequence of a growing volume employ more men at higher wages.

But the little Ford shop, dispersing its profits, would have drifted farther and farther behind, grown more and more antiquated, until eventually it disappeared—its 75 men would have been out. They could not have grown into the 125,000 men we see today. For profits are what a business grows on. Profits support a business in the same way that wages support a family.

An Impossible "If"

We could answer our radio friend's question by saying that Ford profits during the last 33 years amounted to 844 million dollars, and if this had been distributed among the employees, they would have received that amount additional—but such an answer would not mean anything; it rests on an impossible "if."

For if profits had not been continuously fed back into the business, there would have been no business, and consequently no employees.

But conserved and invested in the business, these profits did much more for the employees than tonights question suggests; they produced in wages four times as much as all the profits amounted to; they supplied the nation with 25 million useful vehicles; they increased those original 75 Ford jobs to 125,000 Ford jobs, and made possible 200,000 other jobs in outside industries; and they supported government with 600 million dollars in taxes.

The profits are imbedded in land, buildings, furnaces, machines—hundreds of millions of which have been used up and have disappeared. Had profits been dissipated or distributed either to labor or capital, these tools of productive and well paid employment would simply not have existed.

The Story of Dividends

Taking this question in its proper form—if all the dividends had been given to the employees how much additional would they have received?—permits proper answer. Dividends are the amounts taken out of profits for the owner's uses. Much of the Ford dividends were paid out when the company had stockholders whose principal connection with the company was the drawing of dividends.

You will recall that the stockholders sued Henry Ford to compel him to pay dividends instead of using the profits to build better business with higher wages. After that there were no outside stockholders.

However, we asked the auditors to find exactly the difference it would have made in Ford wages if **all dividends** paid out during these 33 years had been added to wages and paid exclusively to employees. And this is what we find: It would have meant a wage increase for each man of **less than six cents a working hour.** Less than six cents an hour for each man! Had the dividends of the last **ten** years been added to wages the increase would have dropped to about three cents an hour. These amounts are not very exciting when we consider that the actual increase in Ford wages during those 33 years was about 400 per cent.

Loose Talk Needs Corrective Facts

Loose and deceptive talk of profits and of what the wage-earner would have if he got it all, requires the corrective of facts like these. The philosophy of "taking everything," whether practised by management or labor, or by both together, or by government tax collectors, results in nobody's getting anything. That is natural law.

Wealth must circulate. Enlightened business is aware of this law and respects it. Business has not by any means reached perfection, but the better class of business is consciously and intelligently and continuously moving toward improvement, and as a result the circulatory volume is growing fuller and richer, and the social body is being served with a more adequate supply of the economic vitamins essential to national welfare.

As Others See Us . . .

What's Behind the C. I. O.?
Glace Bay Gazette

Attention is being directed to a recent despatch from Moscow indicating that Communists are behind the Committee for Industrial Organization (the C. I. O.) and have been especially active in engineering the motor strikes at Detroit and elsewhere.

In this connection The Financial Post cites the Clarion, Communist organ of Toronto, to show that "the insurgent operations of the Committee for Industrial Organization are cordially supported, if not inspired by or allied with, Communist groups on this continent."

The Financial Post adds that the C. I. O. drive for organization of workers by industries, as opposed to craft unions, is right down the Communist alley, so to speak. "Still fresh in the minds of both American and Canadian workers are the Communist efforts in past years to implement the red gospel of industrial unionism by 'boring from within' the existing labor organizations and attempting to seize control through disruption."

That these disruptive tactics are still being vigorously prosecuted may be gathered from the attempt which is being made to prevent the mine workers of Cape Breton from coming to an agreement with the mine operators.

The Weeklies of Alberta
Brantford Expositor

The Financial Post has been investigating the attitude of the weekly newspapers toward Social Credit and it finds that a very large percentage of them oppose the Aberhart Government and adhere to sound economic views. If this is true it is a tribute to the independence and courage of newspapers that are dependent upon local patronage for their support and it speaks volumes for their integrity when they speak out plainly against a scheme of Government that has been so overwhelmingly endorsed in the province.

Surely the sound attitude of the weekly newspapers should exert a powerful influence at least on the reading part of their communities. If one can judge from the reports that have been sent out from Alberta the entire population of the province, apart from a small minority, has been moved with an unaccountable hysteria in favor of Social Credit. After weighing all the arguments for and against the scheme, together with the actual results achieved after eighteen months, it is very commendable that such a large percentage of the newspapers refuse to support the Premier any longer in his unsound theory. The population of Alberta is very largely rural, and it is surely only a question of time before the people will see the real truth for themselves. The other provinces of Canada are forging rapidly ahead toward the restoration of normal progress and prosperity and they are anxious to see Alberta in the same category. The sooner the people take things in their own hands there and remedy the present uncertainty and confusion the better it will be not only for Alberta but also for the entire Dominion.

Sane Weekly Press
Bowmanville Statesman

The Financial Post pays a glowing tribute to the sanity of the weekly press, in an editorial on Mar. 20. It deals principally with the weekly newspapers of Alberta, but generally speaking the Alberta newspapers are representative of the weekly press as a whole in Canada.

"An example of journalistic courage of a very high order has been recently displayed by the country weeklies of Alberta," The Post says. "It is said that more than 95% of the weekly newspapers in the province have opposed Mr. Aberhart and his Social Credit futilities. They have consistently opposed the money messiah's political hypocrisies and combatted the fallacious and, at times, somewhat fantastic economic doctrines with which he has attempted to beguile the people of his province."

Sanity of Editors
New Westminster British Columbian

As the great magician stands discredited before his audience, having failed to produce the money from the empty hat, The Financial Post points out that the present situation in Alberta merely demonstrates a truth that has been recognized for many years by shrewd observers of contemporary opinion in Canada.

"Canada's rural weeklies," says the Post, "are seldom swayed by those hysterical outbursts of political extremes, which seem so easily to catch hold of mass opinion in the cities, only to give way in time to extremes of opposite thought. If one wants to know what the nation really thinks at heart, what its true common sense viewpoint is, one can usually find it by a perusal of the editorial pages of the country weeklies of Canada."

Sane Country Weeklies
Listowel Banner

"If anyone wants to know what the nation really thinks at heart, what its true common sense viewpoint is, one can usually find it by a perusal of the editorial pages of the country weeklies of Canada," so says The Financial Post, Canada's leading financial publication, in the current issue, in commenting on the journalistic courage of 95% of the Alberta weeklies that opposed Mr. Aberhart and his social credit futilities. That statement, we believe, is true, as the editor of the rural paper really gets the pulse of the nation as he is in closer touch with the citizens of his locality than the heads of the great dailies. He knows the local people better than any city editor ever could and thus receives their viewpoint on important happenings. And the viewpoint of the average everyday man is usually the correct one. He is not swayed by every extreme movement.

The Transatlantic Flying Agreement
St. Johns News, Newfoundland

It would be a pity if the co-operation between Imperial, Canadian, and Pan-American Airways were to break down over the controversy about the western terminus.

The transatlantic service is essentially an Imperial undertaking. On the other hand, America is expected to provide much of the passenger and mail traffic. Pan-American, under the impression that New York would be the western terminus, was ready to assist in operations and to arrange reciprocal landing privileges.

The position that has since arisen is put from the Canadian viewpoint by the Toronto Financial Post in these words: 'They (Pan-American) are seeking to make the next hop (i.e. from Newfoundland Airport) direct to New York or Boston rather than to Montreal. The Canadian Government has no intention of making this concession."

But why cannot there be an arrangement whereby passengers for New York may be taken direct from Newfoundland Airport after transferring to a special plane, leaving the ocean transport to carry on to Montreal?

A Kootenay Product
Nelson News, B.C.

According to an estimate of The Toronto Financial Post, Canada's mines and quarries are now producing $686 a minute. About one million dollars for every 24 hours.

And this is not merely in gold, nickel and copper. There is lead in which the Kootenay country has a big share. Last year Canada's lead production totalled nearly 388,000,000 pounds. This at a time when there is a lead famine in the world, when the price of base metals soars.

So with zinc, also a Kootenay product. At a time when there is a world storage of zinc, with consequent increasing prices, Canada is producing 324,000,000 pounds of zinc, is developing new zinc properties.

There is much speculation in Canadian mines at present; perhaps too much. That does not alter the fact that Canada's mines have become one of her mightiest assets; that, almost as much as anything she possesses, they are underwriting her future prosperity.

Other People's Views . . . .

Hepburn's Clear Vision
Wall Street Journal

Commenting on apparent efforts of a Canadian subsidiary of the C. I. O. to introduce its parent's strike technique in Canada, Premier Hepburn of Ontario said:

"The entire resources of this province will be utilized if the occasion warrants to prevent anything in this country resembling that which is taking place at the present time across the line, due to failure on the part of constituted authority to take adequate action."

It is not always pleasant to see ourselves as others see us. But how many, and just who, among us will complain that Mr. Hepburn does not see clearly across the international line?

Alberta Fares Badly
Calgary Herald

Further large loans to Saskatchewan, Alberta and British Columbia were announced in the House of Commons recently. The first named province is advanced $965,000 to cover the provincial share of unemployment relief expenditures for the first three months of the current year. It will also receive an additional $60,000 as the province's half of the cost of freight charges for the transporting of livestock from its drought areas. Alberta receives a $68,000 loan for similar freight charges. British Columbia is loaned a further $250,000 to enable the province to pay its share of relief expenditures so far this year.

Alberta also plays the short-end rôle in the matter of debt reduction aid from Ottawa. The Federal Government has voted nineteen million dollars for debt reduction in Saskatchewan and Manitoba, but nothing for this province. In making the announcement Mr. Dunning, federal finance minister, said: "The same provisions were available to Alberta but that province has not availed itself of the opportunity. It had adopted other means of debt and interest adjustment which did not require co-operation of the Dominion." These "other means" have been declared by the courts to be exceeding the power of the province.

It should be apparent to the people of Alberta by this time that the Aberhart Government's methods have not only discouraged aid from Ottawa but has placed the province in a far worse position than the sister prairie provinces which are prepared to co-operate with the Federal Government. As the Edmonton Journal observes: "Alberta farmers, especially those in poor crop areas, well may wonder if in debt reduction, as in some other things, Alberta is going to sacrifice the substance in an effort to grasp the shadow of a theoretical paradise."

New Books . . .

THREE YEARS OF THE AGRICULTURAL ADJUSTMENT ADMINISTRATION. Edwin G. Mourse, Joseph S. Davis, John D. Black. Published by the Brookings Institution, Washington, D.C. Price $3.50

This volume covers operations of the United States Agricultural Adjustment Administration known popularly as the A.A.A. during its first period, that is up to the time when it was sharply modified following an adverse decision of the United States Supreme Court in January, 1936. This act second only in importance to the N.R.A. of Blue Eagle fame, aroused a wave of press criticism through the United States. It was a frank attempt of the Roosevelt administration under Secretary of Agriculture, Henry Wallace to jack-up farm prices through national control of production. Huge funds of money were collected processing taxes levied on meat packers, flour millers and other users of farm products and these supplemented by federal funds were paid out to farmers who agreed to reduce acreage.

The act produced large results, a few of the sort expected and some unforeseen and many undesired. Legal barriers, finally, largely stopped and partially diverted its development.

The authors apparently confident that the A.A.A. will continue in some form in the future have discussed the origin and the operation of the much criticized legislation and prepared the reader for a continuance of the price control and production restriction policy as is being now attempted in much more modified form under the guise of soil conservation. Describing the latter phase, they state this development now shows a highly dynamic character, and it may be expected that the next four years will prove in the light of history to have been a period of momentous decisions."

Not only is the late A.A.A. of Washington of interest to Canadians because of the somewhat similar attempt through the Natural Products Marketing Act of the Bennett Government in this country, but also because in any future time of extremely low farm prices similar movements may be expected to revive.

Stop Me If You've Heard This One . .

The surgeon, the lawyer and the politician, sitting over cocktails, were debating the value of their respective callings to the human race.

"You fellows make me tired," said the surgeon. "It was a surgical operation that gave woman to the world. Where would the human race have been without that?"

"All very well," said the lawyer, "but we brought the world into order out of chaos."

The politician swallowed hard for a moment, but his eye lit up and he said triumphantly:

"And where do you suppose chaos came from?"

Week in Business

Retail Sales Expand With Warmer Weather

But Still Running Below Expectations — Tax and Other Collections Higher — Where Will C. I. O. Strike Next?

More seasonal weather right across the Dominion has resulted in improved purchasing in most lines. Building and farm supplies, hardware, millinery, clothing and cars are leading the parade. Both purchases and collections are generally reported at a slightly better level than a year ago, which in turn was a considerable improvement over 1935. Volume, however in spite of this improvement is regarded as a little disappointing but is expected to pick up sharply with warmer weather.

• • • •

That retailers are justified in expecting still better business as the season develops is indicated by continued announcements of higher wage scales by various firms and industries. Invariably a large share of these fatter pay envelopes will find their way over the counters as will also the greater proportion of the higher prices being paid to producers of basic commodities.

• • • •

Another barometer of general economic improvement in Canada is provided by tax collection returns. With the exception of a few western municipalities, largely in former drought-stricken areas, these collections are showing a gain over a year ago, notwithstanding the fact that both 1936 and 1935 each represented considerable improvements over their predecessors.

• • • •

Spotlight of the week in Canadian business, of course, continues to focus on Oshawa, scene of the first trial of strength of the C. I. O. in Canada. This development is covered elsewhere in The Financial Post this week. Chief significance to general business is not a settlement of this individual dispute, but whether the outbreak marks the beginning of a general invasion of Canadian industry with subsequent immediate disorganization of supplies and prices.

• • •

Extreme feminine styles and prosperity go hand in hand, according to some self styled business authorities. Whether or not an exhaustive survey would prove accuracy of such a contention, certainly snapshots of the vintage of 1928-29 do reveal extraordinary hats and skirts which the fair sex were then favoring.

Similar apparel today is not nearly as striking, though undoubtedly hats are again veering toward the unusual, and skirts, while still quite modest, have lost all contact with the ground.

Business Indicators

General — Business index of Dominion Bureau of Statistics for first week in April shows sharp gain as a result of generally improved Canadian conditions, but especially in British Columbia and the eastern provinces.

Manufacturing—Large gains in refining activity in preparation for big motoring season. Boot and shoe production up slightly, but flour production off.

Trade—Cotton imports up and rubber down. Flour exports for March considerably behind same month year ago and cumulative 1937 to date also behind.

Railways — Improvement continuing with carloading for week higher and also gross revenue of both Canadian National and C. P. R. This follows sharp gain in net revenue in February.

Current trend of Canadian business is revealed in the following statistics especially compiled by The Financial Post; new figures this week being marked thus ▴:

	WEEKLY DATA —Latest— 1937	1936	—Cumulative Total— Jan. 1 to date 1937	1936
Transportation—				
Car loadings (Apr. 3)	▴50,147	44,049	95,714	88,108
C.N.R. gross earn. (Apr. 7) .. $	▴3,963,443 $	3,358,934 $	49,169,166 $	44,525,665
C.P.R. gross earn. (Apr. 7) .. $	▴2,717,000 $	2,515,000 $	34,563,000 $	31,797,000
Business Conditions—				
Weekly index D.B.S. (Apr. 3)	▴113.8	105.8	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Feb.)	117.6	106.9	......	......
Transportation—				
C.P.R. net revenue (Feb.) .... $	990,739	867,397	1,904,248	1,479,969
C.N.R. net revenue (Feb.) .... $	471,894 $	‡288,460 $	555,117 $	‡864,790
Iron and Steel (Feb.)—				
Pig iron production (tons)	61,995	55,751	128,395	117,087
Steel ingots and castings prod. (tons)	115,759	93,365	230,996	193,590
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Feb.)	8,801	4,311	17,323	9,058
Factory output (Feb.)	14,415	10,853	29,424	22,114
Trucks and Buses:				
Domestic sales* (Feb.)	2,065	1,162	3,742	2,103
Factory output (Feb.)	5,292	2,415	9,866	4,456
Exports (Feb.)	4,436	4,583	9,750	11,205
Construction—				
Building permits (Feb.) ...... $	2,120,111 $	1,921,176 $	3,815,613 $	3,223,934
Contracts awarded (Mar.) .... $	16,508,100 $	10,289,100 $	31,409,100 $	32,127,200
Newsprint (tons)—				
Production (Feb.)	275,532	221,569	563,223	449,524
Exports, tons (Feb.)	222,945	184,079	482,488	368,962
Sugar (lb.)—				
Melting & sales§ (raw)	22,026,102	20,434,690	43,699,603	41,489,975
Manufactured§	20,934,196	20,769,861	42,886,466	44,814,535
Flour (bbls.)—				
Production (Feb.)	▴999,694	1,019,017	2,008,324	2,001,005
Wheat flour exports (Mar.) ..	▴390,315	476,773	1,052,122	1,131,186
Trade—				
Retail trade (index no. of sales) (February)	76.8	69.4	......	......
Imports (February) .... $	48,680,884 $	41,597,398 $	100,563,502 $	82,187,674
Exports (February) .... $	75,691,224 $	62,797,690 $	159,107,448 $	127,542,014
Wheat exports (bus. (Feb.) ..	5,362,031	14,241,169	15,151,058	21,798,489
Employment D.B.S. Index (Mar. 1)—				
All industries	102.8	98.9	......	......
Manufacturing	107.6	99.5	......	......
Electric Power Output (Feb.)				
Total monthly m.k.h. (000's omitted)	2,009,592	1,827,294	4,193,832	3,800,740
Other Industrial Indices				
Lumbering:				
Plank & board exports M bd. ft. (February)	120,856	95,357	1,717,974	1,240,652
Boot & shoe prod., pr. (Feb.) ..	▴1,929,500	1,835,240	3,411,517	3,349,199
Crude petrol., imp. gal. (Feb.)	▴52,419,321	39,654,916	107,058,972	100,786,265
Cotton imports, lb. (Feb.)	▴12,118,718	11,724,000	27,307,905	31,663,607
Raw rubber imp., lb. (Feb.) ..	▴2,846,235	4,256,276	6,502,658	8,194,548
Coal imports, tons (Feb.)	486,528	530,842	1,061,405	983,520
Cigarette cons., (Feb.) No.† ..	418,344	357,943	865,511	674,477
Finance—				
Bank debits (Feb.)†	2,731,934	2,767,449	5,959,289	5,759,517
Bond sales (Feb.) .... $	98,524,192 $	138,788,775 $	305,795,692 $	289,445,889
Life insurance sales (Feb.) ... $	30,604,000 $	28,834,000 $	59,368,000 $	63,055,000
Automobile Financing (Feb.)—				
Used cars .... $	1,642,816 $	960,796 $	3,063,830 $	1,977,132
New cars .... $	1,926,096 $	1,102,521 $	3,774,227 $	2,156,523

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Feb. 27. ‡Deficit.

Canada Has Small Share of British Tobacco Mart

Canada's share of Great Britain's 175 million pound tobacco imports last year amounted to slightly under nine millions. The bulk of this was of the bright flue-cured variety largely used in cigarette manufacture.

Britain's consumption in 1936 was the largest ever reported showing a gain of 10 million pounds over 1935, which was again the largest year up to that time.

As a result of her steadily expanding export market, Canada's tobacco acreage, largely in southwestern Ontario, is increasing. High expense and the necessity of considerable growing skill and strict limitation of the area of land suitable, however, are expected to keep this expansion within relatively moderate dimensions.

Government, Municipal Public Utility and Industrial Securities

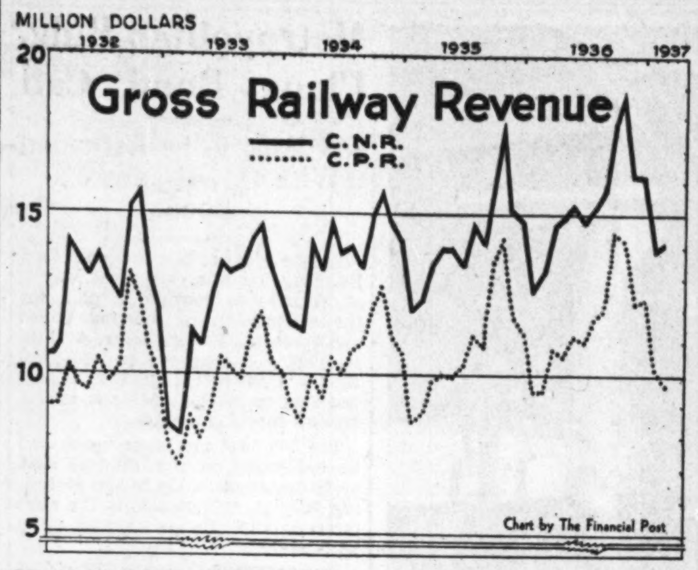
List of offerings, or current quotations on any issues, furnished promptly on request.

Royal Securities Corporation Limited

244 St. James Street Montreal 330 Bay Street Toronto 2

Offices throughout Canada; also in New York and London.

25



GRADUALLY IMPROVING

Gross railway revenue, one of the most comprehensive barometers of all Canadian business, shows a steady increase from the low points of a few years ago. Though still far below the palmy days of 1929, gross receipts of the two big railway companies of Canada seem permanently on the mend. It will be noticed from the above chart, that fall grain hauling still represents the peak load for both lines Now that Canada's carryover wheat has practically all been marketed or will be before the new crop is ready, the extent of this fall's upward surge in earnings will depend almost entirely on the size of the crop now being seeded in Western Canada.

Background of Business

Ontario Workmen's Compensation Levies May be Adjusted on Accident Record — Canned Goods Exports to Britain — Lake Traffic Forecast

Industrial plants with a bad accident record will be called upon to contribute considerably more toward workmen's compensation in Ontario when the new recommendations of the Canadian Manufacturers' Association are adopted by the Workmen's Compensation Board. Such firms, it is reported by Canadian Machinery, may have their compensation rates doubled and the money thus collected will be applied to reduce the rate paid by concerns with a better record.

Canned Exports Drop

If Canada hopes to take advantage of the proposed large scale war emergency purchases of canned fruits and vegetables by the United Kingdom, exports of such products will have to show very great improvement from the record of 1936. In that year, total exports from this country amounted to 87,000 cwts. This was a considerable decline from the 117,000 exported in 1935 and the 114,000 in 1934. Total imports by Great Britain in 1936 amounted to 3.7 millions of which about two-thirds was contributed by foreign markets, chiefly the United States, with an export of not far short of two million cwts.

Principal sources of British supply in the last three years were as follows:

British Imports Canned Goods

	1936 cwts.	1935 cwts.	1934 cwts.
United States	1,990,000	2,093,000	1,731,000
Australia	376,000	463,000	401,000
Japan	234,000	76,000	94,000
Malaya	904,000	798,000	849,000
Canada	87,000	117,000	114,000
South Africa	54,000	44,000	46,000
Hawaii	30,000	24,000	27,000
Total Empire	1,423,000	1,423,000	1,511,000
Total foreign	2,300,000	2,266,000	1,939,000
Total all countries*	3,723,000	3,689,000	3,450,000

*Includes many smaller shippers not specified above.

Lake Traffic

With only 60 million bushels of Canadian carryover wheat available for export from both the head of the lakes and Vancouver, only light down cargoes are expected by Great Lakes shipping interests early this season. Not more than 40 million bushels of this grain is expected to be carried across the lakes as a fair portion of the total will probably go via Vancouver.

However, other marine activity on all the Great Lakes this season is expected to far exceed that of recent years, with ore carrying promising peak volume. It is anticipated that a very considerable portion of the carryover grain will be moved in the first few weeks of navigation and then shipments will naturally taper off if not entirely disappear until the new crop commences to move next September. Lake navigation opened this week.

Plenty of Food

While there were the usual declines of seasonal cold storage foodstuffs in March, April 1 figures on practically all staple lines were higher than a year ago in Canada. In the dairy classification cheese and eggs were up substantially but there was practically no change in butter and canned milk.

Pork stocks showed a very considerable gain with almost 55 million pounds in storage April 1 as compared with less than 37 million in 1936. Beef was down slightly although other meats were up. Fish stocks at April 1 were considerably higher than for the same date a year ago indicating that the export situation in this commodity is still not as favorable as desired.

Most Popular Used Car

The greatest market for used cars exists in the price range of $300 to $500, according to a survey by Canadian Automotive Trade. In this field it is pointed out, the question of reconditioning is of the greatest importance since buyers of cars worth over $300 expect a good deal in the way of mechanical and general condition.

Used car dealers have been getting away from the old idea of stunts or special bargain days and are concentrating more now on satisfactory performance and a guarantee to this effect. The main idea, of course, is to create customer confidence, for experience shows that every satisfied used car buyer much more so than the purchaser of a new car, will spare no effort to spread the good news. The establishment which earns the reputation for reliability is fortunately placed. The buyer of a brand new car has very little to worry about in the matter of breakdown for he gets guaranteed service and any early defects will be promptly remedied and at no cost. In the used car field, however, fear of getting a "lemon" is often predominant and anything that the dealer can do to allay such anxiety has an immediate influence on volume.

What Do Gold Miners Buy?

What do Canadian gold miners and their wives buy?

The recently established Geraldton Drug Co. in the new gold mining area in northwestern Ontario tells Drug Merchandising that cameras rank surprisingly high in goods wanted. This statement moreover is not confined to the ordinary cheap lines of photographic equipment but includes movie cameras, telephoto lenses, filters, and similar high priced accessories. Another keen seller in the mining area is hand lotions. Apparently the sale in this connection is due to the hard water in the Geraldton area and the fact that miners' wives like wives everywhere share the natural feminine desire for soft white hands.

There appears also to be more demand for chocolate bars and similar confectionery than for cigarettes. There is very good reason for such discrimination because smoking is impractical and usually prohibited underground. Three doctors are now practising in Geraldton, the population of which is increasing weekly. Only a few years ago it was virgin bush.

Motor Travel Gains

Indicating the continuous growth of motor travel, sales of gasoline in Canada in 1936 totalled almost 618 million gallons. This compares with from 574 million gallons in 1935. Increased sales are reported in all provinces, the principal advances being scored in Alberta, Quebec, Ontario and British Columbia.

What Is Plate?

Eventually Canada hopes to have all silver and gold plate made in the Dominion stamped with marks which will denote quality, place and date of manufacture.

Regulations to this effect will probably follow the example set in Great Britain where quality goods are so marked.

At present there is no such uniform designation in Canada. Amendments to the present Metals Act were put through the Federal House this session to partly bring about the desired result but on account of objections of Old Country goldsmiths who did not want their particular symbols adopted in Canada, some of the amendments were deleted and no substitution provided.

Silver or gold plate, apparently, does not necessarily mean anything very definite in regard to quality in Canada and the Government hopes to remedy this point. On account of the objection referred to from the Old Country no date letter will be used in Canada for the time being but an effort will be made to bring plate up to certain definite uniform qualities and penalties are provided for selling anything lower than a quality mark.

Plate in Great Britain has been so marked from the 15th century and articles gain in value with their age.

McLEOD, YOUNG, WEIR & CO. LIMITED

INVESTMENT SECURITIES

TORONTO
Metropolitan Building

OTTAWA
Ottawa Electric Building

LONDON
Richmond Building

MONTREAL
231 St. James Street

HAMILTON
Spectator Building

Correspondents in New York and London, Eng.

Ont. Wage Act Less Drastic Than Feared

Expected to Limit Hours for Minimum Wages Only

NOT OPERATIVE YET

Last minute amendments in the Ontario New Minimum Wage Act have largely removed fears of employers that this legislation might result in seriously handicapping legitimate industry. As originally drafted it appeared that hours would be limited and thus interfere seriously with seasonal bursts of activities. It was conceivable that spring building of houses and cars, for instance, the spring output of which sometimes equals the combined volume of the other three seasons, might be seriously retarded.

The recent amendments, however, make it clear that the power of the Board which will be charged with administration will be limited to fixing those hours for which minimum wage will be paid. Thus, apparently, employers are at liberty to work longer than the schedule hours provided that proper overtime pay is given.

There was also some apprehension that there would be rigid and bureaucratic segregation of various branches of employees according to industry. This fear has been allayed by the statement that the purpose of the board is simply to classify separately male and female workers and handicapped workers and minors.

Preparatory work of the Board, it is understood, will take considerable time and there is no expectation that the minimum wage rates and other regulations will be announced for some weeks.

Radio Sales $22 Millions

Table Set is Best Seller—Almost Quarter Battery Type

Over $22 millions was spent in Canada last year on new radio sets. This was a gain of more than 30% on 1935. Of the 250,000 sets that went over retailers counters almost one-fourth were of the battery operated type. Largest single seller was the five tube mantel or table set. These are the highlights of a Dominion Bureau of Statistics bulletin just issued.

Production of radio receiving sets amounted to almost 254,000 in 1936 worth approximately $11.4 millions. Retail sales of over $22 millions compare with $16.5 millions in 1935 and $7.3 millions in 1934.

Five tube table or mantel sets of which almost 35,000 instruments were purchased led in demand. Second place was five tube console and third the four tube table. Total sales of consoles, however, amounted to over 92,000 as compared with 75,000 for all table sets. Automobile sets accounted for almost 19,000 sales with the preference on six tube models.

There still appears to be a considerable market for battery operated receiving sets in those large rural sections of Canada not supplied with electric power. The total number of these sold in 1936, both of the console and table or mantel type amounted to almost 61,000. This figure was exclusive of automobile radios. In other words almost one-fourth of all the radios sold in Canada are still of the battery-operated type.

Vancouver Coal

Representing considerably more than half the output of the province, Vancouver Island's coal production in January amounted to 68,202 tons, an increase of 9,249 tons over the Jan., 1936, figure.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

Inquiries are invited at our Branch nearest to you

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

MARA & McCARTHY

Members
The Toronto Stock Exchange
Montreal Curb Market
The Canadian Commodity Exchange Inc.

Canada Permanent Bldg., 320 Bay Street, Toronto
Telephone — ADelaide 9151

NOW "Body by Fisher" MEANS TWICE AS MUCH!

The world's smartest, safest, most famous car body . . . Only on Chevrolet in the Lowest Price Field!

LOOK at Chevrolet, if you want to see the full perfection of motor car body progress . . . in beauty—safety—style—at lowest prices! For Chevrolet, alone in its field, gives you the *glorified* "Bodies by Fisher."

Twice the beauty . . . with streamline style that's smart and distinguished—from new "diamond" radiator grille to the capacious built-in trunk at rear.

Twice the safety . . . with Unisteel construction throughout—steel sides, steel floor, steel cowl, steel Turret Top—and Safety Glass in every window.

Twice the comfort . . . with wider seats, flat floors, improved visibility, new spacious room all ways, full insulation against heat and cold, and Fisher No-Draft Ventilation, of course.

Only Chevrolet has "Bodies by Fisher" in the lowest price field. And no other car priced so low gives you all these other matchless advantages: Valve-in-Head Economy engine . . . Knee-Action gliding ride (in Master De Luxe Models) . . . and Perfected Hydraulic Brakes. You get the most for your money when you choose a Chevrolet. Ask about the low monthly payments on the General Motors Instalment Plan.

FAMED TURRET TOP . . . Seamless, smooth-flowing, it makes for smarter streamlining . . . Stamped from a single sheet of solid steel, it puts unequalled protection over your head.

BIGGER, ROOMIER INTERIORS . . . Take a tape measure with you and actually check the extra inches of head, leg and elbow room. Compare the quality of the fine, durable upholstery.

EVERY CONVENIENCE . . . Note how *complete* the new Chevrolet instrument panel is. A full complement of driving instruments, a convenient parcel compartment. Many other attractive appointments throughout the car.

$745

Master 2-passenger Business Coupe delivered at factory, Oshawa. Government taxes, license and freight additional. (Prices subject to change without notice.)

CHEVROLET
. . . *for economical transportation*

C-117

See, Drive and Compare the Chevrolet Models on Display at Your Local Dealer's Showrooms

In The Construction World

Although the price factor has retarded large scale use of glass brick in Canada there seems little doubt that this type of material will become increasingly popular in Canada, not only because of its decorative and lighting qualities but because Canadian conditions of climate demand a high degree of insulation.

The new type of hollow sealed glass brick is particularly suited to Canadian weather conditions of extreme heat and extreme cold and since it may take the place of windows for lighting purposes its use in conjunction with air-conditioning is increasing although it is not yet adapted to sustaining wall construction.

Either with or without window sash it is a feature of at least three new Canadian building operations. Imperial Tobacco Co. of Canada has used glass brick extensively in its new air-conditioned warehouse in Montreal, and the RCA Victor Company's new factory addition on Lenoir St. in the same city, features glass brick in the walls of the five-story structure. The usual steel-framed windows are missing and the areas of about 7 by 12 feet are filled with glass brick with a conventional window at each end. A new front and alterations to the Parisian Laundry Company's building in London, Ont. also strongly emphasize the use of glass brick, the installation being the first of its kind in a London business structure.

Killing the Goose

A blunt warning to the Canadian construction industry against jeopardizing its own recovery by inordinate increases in prices of building materials was sounded last week by F. W. Nicols, director of the Dominion Housing Act.

He said much the same thing as The Financial Post has already said in that connection, but figures given by Mr. Nicols indicated that the building prices in some branches have already advanced beyond reason and as much as 20% to 30% recent weeks.

Some increase in costs is inevitable in a period of building recovery, and fully justified, but if the increase is either too sudden or too drastic it will, as Mr. Nicols describes it, "kill the goose that lays the golden eggs" through discouraging prospective home builders.

Inviting Depression

A somewhat similar warning was given recently by Raymond Moley, one of the editors of "News-Week." He severely criticizes manufacturers who sieze upon a small price increase in raw materials as an excuse to double or triple the cost of their manufactured products, "a sure way," says Mr. Moley, "to dry up markets and ensure the early recurrence of depression."

As Mr. Moley sees it:

"Having shown restraint in quoting new prices themselves, steelmen are severely critical of some of the things they see going on. A manufacturer of some more or less important gadget made of steel grants his employees, let us say, a 10% increase in wages. Then he finds that the price of steel has gone up 10%. Whereupon he increases the price of his product 20%.

"Analyze this: the direct labor cost of his product amounts to 15% of the selling price of his product. That, by the way, is a fairly typical figure in a great many important industries. Raw material cost is 25%. Well, 10% of 15% is only 1½% and 10% of 25% is only 2½%. The manufacturer's costs in other words have gone up 4%—but he tacks on 20%. That is the sure way to dry up markets and ensure the early recurrence of depression."

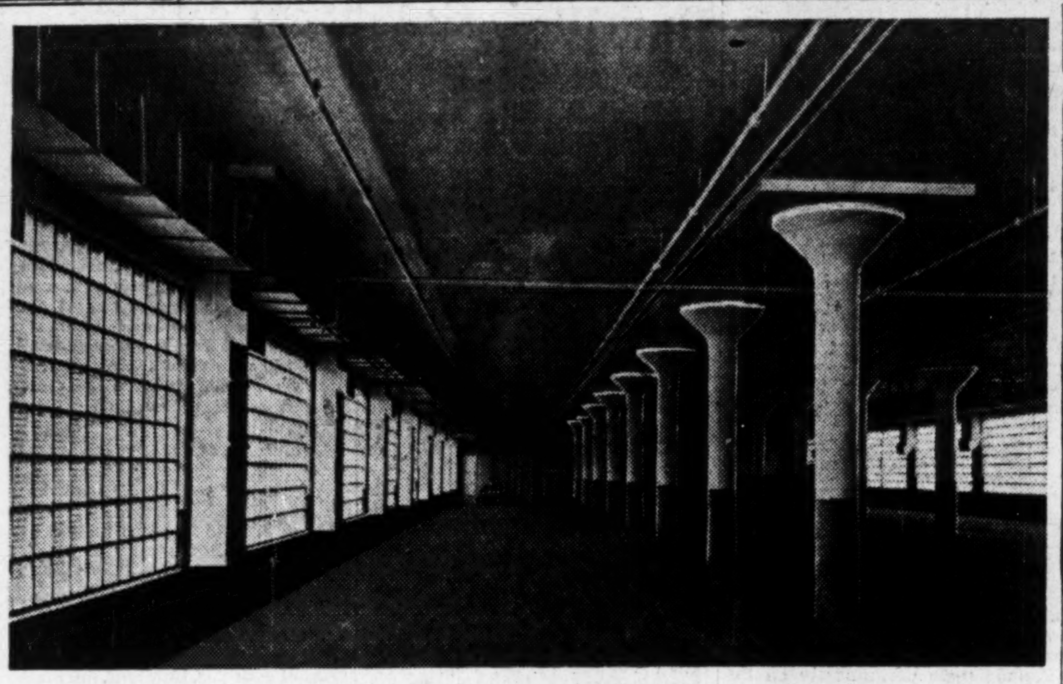
No Freak Dwellings

Tact, firmness and good taste are essential qualities of municipal officials of those small but well-to-do communities that adjoin nearly every large city in Canada.

The reason is that many would-be home builders in these highly restricted and expensive garden-spots have more money than judgment in the matter of designing their houses. They may and often do instruct their architects to build a house of freakish design and out of keeping with those in the community, but which nevertheless delights the would be owner because he has seen a similar home in more suitable surroundings.

Forest Hill Village, a typical community of wealth adjoining Toronto, solved the problem that has long worried exclusive suburbanites. The village authorities appointed a board of five architects and front elevation plans must be submitted for the board's approval before a new dwelling can be erected.

The interior can be a combination of any flights of fancy in which the owner wants to indulge but the exterior cannot. Formerly there was nothing a harassed architect could do except follow instructions, unless his professional reputation demanded that he abandon the project. Now he can tactfully explain to the new home builder that the latter's ideas for exterior design might be suitable for Hollywood but scarcely likely to meet with the approval of the local architectural board.



GLASS BRICK

Above is shown the fourth floor of Imperial Tobacco Company's new reinforced concrete building in Montreal, which houses one of the departments to be used for manufacture of cigarettes and pipe tobaccos. Glass-brick windows diffuse the light so that there is a minimum of shadow on the hardwood floor or white ceiling. The building is the first in Canada of glass-brick construction to be used for the manufacture of tobacco products. The glass-bricks are vacuumized and have a high insulating value. The absence of windows permits complete control of atmospheric conditions by air-conditioning, an important factor in the handling of tobacco.

Income Tax Adjustments Would Aid Modernization

Obsolescence Allowance Under Dominion Income Law Held Necessary in Many Canadian Industries

All manufacturing equipment gradually depreciates in usefulness and eventually becomes nonproductive.

For that reason, depreciation allowances are made by Dominion income tax authorities, in keeping with ordinary business practice of writing off the cost of machinery in relation to its depreciated value from year to year.

But the useful life of manufacturing equipment is also frequently cut short by new inventions, changes in economic conditions or changes in public fashions and tastes. It becomes obsolete, and its replacement necessary.

Should obsolescence allowances be made by Canadian tax regulations?

The whole field of obsolescence allowances has been studied by William H. Wynne, graduate of Queen's University and of Cambridge, barrister of Gray's Inn, and one-time associate professor of Yale University. Mr. Wynne believes that some measure of obsolescence relief is desirable in Canada.

His conclusion, set out in an article published recently in "The Canadian Chartered Accountant," is that unless an income tax law allows rates of depreciation so high as to ensure writing off any form of plant or machinery during its life, it should grant tax relief for obsolescence losses.

An important basic factor in obsolescence is that it may occur long before cost of the machinery or equipment has been accounted for through ordinary depreciation allowances. From that point obsolescence losses have to be met, and in Great Britain the United States, and Australia, these losses are admitted as an equitable charge against profits.

No Allowance Here

In Canada a different situation exists. The Dominion income tax not only makes no provision for obsolescence loss, but specifically refuses to recognize it.

In spite of this refusal to make allowance for obsolescence loss, however, Mr. Wynne points out, it is possible for the Canadian manufacturer to obtain this relief under the present law by two indirect methods. He explains these as follows:

(1) "If machines which have been withdrawn from use before their cost has been fully written off are kept on hand, instead of being destroyed or sold for salvage, the owner can continue obtaining the usual depreciation allowance up to the point where the cost has been fully recovered.

(2) "In Canada the depreciation allowance may be taken on the cost of plant and machinery as a whole, without reference to component items. Of these items some may have to be discarded in less than ten years, but others may last longer. Consequently, a 10% rate of depreciation, although inadequate for the former, will permit the latter to be completely written off while they have still some years of life ahead. By continuing to deduct for depreciation on long-lived assets after they have been 100% written off, a taxpayer may make up any deficiency in the depreciation allowance on the short-lived assets."

Equitable in Principle

From these circumstances he draws the inevitable conclusion that "because there may be many firms in Canada not aware of these indirect methods of obtaining obsolescence relief from taxation, and because obsolescence relief is justifiable in principle, it is desirable that it be recognized in the Canadian income tax law."

Mr. Wynne's study of obsolescence relief in Great Britain leads him to the conclusion that depreciation rates in Great Britain are relatively low, and that especially since the war the need for industrial readaptation has been great. These circumstances, it is held, have made obsolescence relief in Great Britain much more important to industry than it would be in Canada.

On the other hand, conditions which make it so beneficial to British industry are present in Canada to a lesser extent. Depreciation allowance in Canada is much more generous, Mr. Wynne finds, and as the industrial system is still comparatively new "and tenderly nurtured by protective tariffs" no sweeping readjustments have had to be made.

However, under Canadian conditions there are a number of industries to which obsolescence relief would be important. Examples cited by Mr. Wynne include full-fashioned hosiery, furniture, some metal lines and lake shipping.

Lake Shipping Industry

The case of lake shipping is illuminating. The standard depreciation allowance on steel steam vessels is 4%, so that provision is made for writing off their cost in 25 years. In the last decade and more particularly since 1930 freight ships of an improved and Diesel-driven type have been developed which permit a saving of 20% in the cost of carrying a bushel of grain. Although cost of building these ships is only slightly over that of ships built ten years ago, only one or two have made their appearance on the Great Lakes.

Obviously lake shipping is only one industry in which depreciation rates appear inadequate and in which there is an excess of obsolete equipment. Mr. Wynne thinks it can hardly be doubted that obsolescence relief would encourage speedier modernization of Canadian lake shipping.

Expressing the opinion that cost of obsolescence relief to the Canadian treasury would not be large, Mr. Wynne thinks that any loss from that standpoint might be more than offset by larger profits taxes through encouraging speedy replacement of outmoded equipment. Any policy likely to stimulate the demand for plant equipment, he believes, merits particular consideration in times of depression, since it is found that general trade recovery sets in when the capital goods industries begin to revive.

N. B. Power Deal Is Recommended

Consultant Advises Saint John to Purchase Company

From Our Own Correspondent

MONTREAL. — Gordon Kribs, consulting engineer, has recommended purchase by the Saint John Civic Power Commission of the holdings of the New Brunswick Power Co. at a figure of $3¼ millions. The report recommended the gas and electric plants of the company be continued in operation, but that the street railway system be scrapped.

For several years New Brunswick Power Co. has been in competition with the civic system on the distribution of electrical energy. At times the competition has been severe, with the net result that neither system has been able to earn a reasonable profit.

The proposal to sell to the city is subject to the fixing of a mutually satisfactory price and agreeing not to sell or dispose of the distribution system for a period of 40 years, during which time the Commission will buy all the electricity used, sold or distributed by it from the company's plant.

New Brunswick Power Co., is controlled by Federal Light and Traction Co. On March 1 last, all of the outstanding first mortgage bonds were redeemed with funds advanced by the parent company. In December Federal Light made an offer of $10 per share to holders of the 7% preferred stock in order to secure full voting control of the company. Practically all of the common and second preferred stocks are owned by the Federal Light.

Metropolitan Bldg. Plans Bond Call

7% Issue to be Refunded With 4¼, 4½ and 5% Bonds

Bondholders of Metropolitan Building, Toronto, will meet May 3, at Toronto to consider a plan for the redemption of existing bonds and creation of a new issue. At July 15, 1935, the company had $712,800 of 7% first mortgage bonds outstanding as well as $381,000 of 7% general mortgage bonds.

The 7% first mortgage bonds can be redeemed on any interest date on 30 days' notice. Up to and including July 15, 1937, which is the next interest date, the redemption price will be 103.

It is proposed to create $750,000 of new first mortgage which would be underwritten to provide funds required to redeem the present issue. The new bonds are to be $200.000 of 4½% serial bonds, due 1938-42, $200,000 of 4½% serials, due 1943-47, and $350,000 of 5% sinking fund bonds, due May 15, 1952.

Income Basis For 2nd Mortgage

An exchange of new second mortgage bonds will be proposed on a par for par basis. The new $381,000 second mortgage bonds would carry 5½% interest for the first year and 4½% thereafter. Interest will be payable out of income and non-cumulative for the first three years. Thereafter it will be cumulative. J. J. O'Neil, president of Metropolitan Building, Ltd., will guarantee the payment of principal and interest, after such interest becomes cumulative.

Metropolitan Building has been able to report earnings equal to approximately twice first mortgage bond interest in recent years. The first mortgage issue was originally $1,025,000, of which $312,200 has been redeemed.

Winnipeg Hydro To Expand Plant

City Rejects Alternative Offer of Winnipeg Electric Co.

The public utilities committee of the city council of Winnipeg has recommended the construction of an additional 12,000-h.p. unit at the Slave Falls plant of the city's municipal-owned hydro system. The cost is estimated at $500,000.

An alternative scheme submitted by the Winnipeg Electric Co., which would have obviated the necessity of the proposed addition, was rejected following a statement by J. W. Sanger, chief hydro engineer, in which he emphasized the practical and economic advantages of going ahead with uninterrupted development of the plant.

He declared that additional annual operating costs of the new unit would be $40,000 annually, as compared with an approximate cost of $135,000 annually for the purchase of 9,000 to 10,000 h.p. from Winnipeg Electric Co.

New Building

J. M. Schneider & Sons, packers, Kitchener, Ont., will start work immediately on a $10,000 addition to its plant. The new structure will be used for freezing purposes and for additional dry storage needs.

Sudbury Brick and Block Supply Co. has let a contract for construction of a $6,000 plant

James Richardson & Son, grain exporters, Winnipeg, will erect an office building in Calgary at a cost of about $50,000.

Darling Co. of Canada is installing machinery and equipment in its recently acquired Chatham, Ont., plant. When the factory is completely equipped the company will have made an investment of about $100,000.

Tip Top Tailors Ltd. is constructing a new store building in Edmonton at a cost of around $25,000.

S. S. Kresge Co. will erect a new $60,000 store at Sudbury, Ont.

The Daily Commercial News and Building Record reports:

Proctor & Gamble Co. of Canada, has awarded a contract for construction of an addition to its plant in Hamilton. The cost is estimated at about $20,000.

Dominion Foundries & Steel has awarded a general contract and has started constructon of $150,000 storage and section building in Hamilton. A $60,000 addition to the tin plate rolling mill is under consideration by the company.

Nuodex Products of Canada is constructing a plant of concrete block and mill construction at Leaside, Ont.

Additions

Fine Foods of Canada is constructing a warehouse addition and boiler room at Tecumseh, Ont., at a cost of about $25,000.

Canadian Marconi Co. is extending its manufacturing plant in Montreal at a cost of around $100,000.

The Daily Commercial News and Building Record reports:

Dennison Manufacturing Co. of Canada is building an addition to its plant in Drummondville, Quebec.

Shipping Containers Ltd. is planning erection of an addition, with alterations to its factory in Montreal.

Construction Equipment Co. has commenced construction of a $45,000 addition of office and warehouse building in Montreal.

Home Improvement Loans

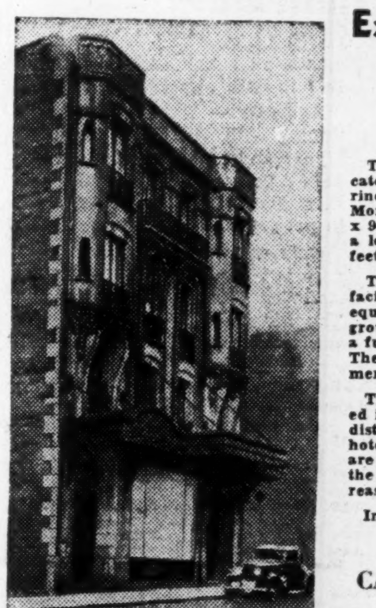
Loans made under the Home Improvement Plan in the first four months of operation total 5,441 or $2,091,158. For the two weeks ended March 15 loans reached $284,202.

Style YOUR FLOORS WITH
DOMINION Battleship LINOLEUM

CUSTOM-BUILT
to your own specifications
Available in 21 colours and effects, to be laid plain, with border or in any special design to express the character of your organization, Dominion Battleship Linoleum solves your flooring problem. It is permanent, easily cleaned, and never needs costly refinishing. Any flooring contractor, or large departmental store, will gladly give you an estimate together with particulars of our 5-year guarantee.
DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL
HOW MUCH OF YOUR OVERHEAD IS UNDERFOOT?

Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited
UNITED STEEL CORPORATION LIMITED
TORONTO .. WELLAND — DODGE MANUFACTURING DIVISION — CANADIAN MEAD MORRISON — MONTREAL .. WINNIPEG

Hennessy & Hennessy
LIMITED
GENERAL CONTRACTORS
Road Builders
Clearing Transmission Lines, Townsites, etc.
Freight Transportation
Write for full information and details of work we have done.
ADDRESSES:
Haileybury, Ont. Rouleau Siding, Que.



Exceptional Opportunity in MONTREAL
This fireproof building is centrally located, about 160 feet North of St. Catherine Street, near The Robert Simpson, Montreal, Limited store and measures 44 x 94 feet with warehouse 22 x 30 feet, on a lot of land with dimensions of 66 x 94 feet, to lane in rear.
The building includes cold storage facilities measuring approx. 10,000 sq. feet, equipped with 2 25-ton ice machines. The ground floor, 44 x 94 feet, is suitable for a fur store or high class provision market. The three upper floors contain 13 apartments, all rented.
This property is particularly well situated in the heart of the best retail shopping district, in close proximity to the large hotels, railway stations, etc. The owners are prepared to sell the property or rent the ground floor and warehouse on a reasonable basis.
Inquiries invited.
BANQUE CANADIENNE NATIONALE MONTREAL

WEST knows EAST

TRANS-CANADA TELEPHONE
Trans-Canada is the Telephone System which makes it possible for you to talk to any part of the Dominion where telephone service exists.
GEOGRAPHICALLY, Canada covers a huge area — more than 3,000 miles from coast to coast alone. That our people—so widely separated and devoted to such diverse interests — understand each other so well is due in no small degree to the Dominion-wide telephone service provided by the Trans-Canada System.
Not only is this service speedy and reliable, it is provided at moderate cost and substantial reductions are in effect after 7 p.m. and all day Sunday.
Use Trans-Canada Telephone. Just ask for or dial "Long Distance".
RATES
The following are the daytime, station-to-station rates for telephone calls from Toronto to:

Halifax	$3.00
Saint John	2.30
Winnipeg	3.25
Brandon	3.50
Regina	4.25
Moose Jaw	4.25
Calgary	5.50
Edmonton	5.25
Vancouver	6.50
Victoria	6.50

THE TRANS-CANADA TELEPHONE SYSTEM
TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

Company Reports

Quebec Pulp

Quebec Pulp and Paper, jointly controlled by Consolidated Paper Corp. and Price Bros. & Co., reports a revenue for 1936 of $39,859, as against $25,821 in 1935. After providing for general expenses and overhead expenses in idle plants, the total loss for the year was $210,471, compared with a deficit of $213,660 shown on the 1935 statement.

The 1936 balance sheet shows a total deficit of $3.8 millions as against $3.1 millions at the close of the previous year. The increase was due to the deficit in income account and the writing off of $500,000 against the value of the Chicoutimi generating plant. Current assets, largely made up of Government bond holdings, remain unchanged, while the principal item among the current liabilities was $940,919 for reserves for claims by the Quebec Government.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross income	39,859	25,821
Less: Gen. expenses	21,281	21,450
Fixed charges	202,354	190,835
Chicoutimi unit	5,269	6,318
Power plant	3,316	3,756
Val l'Albert unit	1,813	2,243
Woods dept.	9,460	11,303
Depletion	6,835	3,577
Net loss	210,471	213,660
Add: W/o power plant	500,000	......
Previous deficit	3,116,012	2,902,341
Deficit forward	3,826,483	3,116,012

Working Capital

	1936 $	1935 $
Current assets	592,018	592,283
Current liabilities	973,983	793,592
Working capital	*381,965	*201,309

*Excess of liabilities.

Viau Ltd.

Viau Ltd., Montreal, biscuit manufacturers, report a gross profit in the year ended Jan. 31, 1937, of $509,520. This contrasts with $449,690 in the previous 12 months. After providing for operating expenses, interest charges and depreciation, there was a net profit of $53,433, as against $25,104 in 1936. The improvement in net is largely due to its decrease in the reserve for depreciation.

The balance sheet as at the end of last January reflects the recapitalization carried out last year. The second preferred stock has been eliminated and the number of common shares outstanding increased to 44,920.

Income and Surplus Account
Years Ended Jan. 31

	1937 $	1936 $
Gross profit	509,520	448,690
Oper. expenses	369,802	313,414
Net revenue	139,718	135,275
Less: Pensions	1,180	1,776
Interest	26,143	28,100
Bad debts	6,059	6,454
Sundry debits	6,983	......
Depreciation	46,161	73,840
Net profit	53,433	25,104
Less: 1936 income tax	516	
1937 income tax	9,546	
Bond premium	516	
	43,114	

Working Capital

	1937 $	1936 $
Current assets	531,894	467,533
Current liabilities	92,563	53,940
Working capital	439,331	413,593

Saguenay Power

Saguenay Power Co. reports consolidated operating revenue of nearly $4.7 millions in 1936 as against over $4.4 millions the year before. As a result of the reduction in interest charges, the company was able to show a net income for the year of $982,853, compared with $670,727 in 1935. After payments of dividends on the preferred stock, surplus account was increased to about $3.3 millions, a gain of over $225,000 compared with the preceding year.

Consolidated balance sheet as at the end of 1936 shows several changes following upon the financial operations carried out last year. The old funded debt of over $35 millions of 6% first mortgage bonds was retired and replaced with $34.4 millions of first mortgage long-term and serial notes. In addition the company issued $5 millions of preferred stock. The current liabilities showed an increase during the year from $805,440 to $2.7 millions. The increase was largely due to the inclusion of $1,350,000 in notes payable and the first installment of $600,000 due on the serial notes, payable June 15, 1937. Among the assets, the principal changes are an improvement in the cash on hand and the inclusion of $1.8 million of accounts receivable from an affiliated company. Another item among the assets is the unamortized expenses in connection with the refinancing amounting to about $4.7 millions.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross income	4,693,781	4,443,971
Less: Oper. expenses	651,287	773,698
Bond interest	2,071,176	2,252,989
Other interest	48,227	17,583
Bond discount	28,253	56,507
Depreciation	683,477	672,467
Income tax	228,511	......
Net profit	982,853	670,727
Less: Pfd. dividend	137,503	......
Com. dividend	630,000	420,000
Surplus	215,350	250,727
Previous surplus	3,055,067	2,798,472
Add: Profit on bonds	3,853	5,868
Surplus forward	3,274,270	3,055,067

Working Capital

	1936 $	1935 $
Current assets	3,922,953	2,135,000
Current liabilities	2,712,367	805,440
Working capital	1,210,586	1,329,560

Gen. Trust & Executor

General Trust and Executor Corp., Halifax, showed a gain in net profit in the fiscal year ended Feb. 29, 1937. A substantial increase was shown in guaranteed investment account and mortgage investments. The present statement, according to the president, E. L. MacDonald, reflects the greater volume of business transacted.

Earnings Record

Yr. end. Feb. 28	Paid-up Capital $	Net Profits $	Div. Rate %	Rate Earned %
1934	236,934	10,064	..	4.2
1935	252,300	11,703	2	4.6
1936	252,300	12,873	4	5.1
1937	252,300	15,837	4	6.3

Creditors' Position

	1937 $	1936 $
Invest. certs.	397,277	235,989
Deposits	4,006	3,190
	401,283	239,179
Secured by:		
Liquid assets	17,293	232
Mortgages	383,990	238,947
Net capital assets	288,067	284,570
	689,350	533,749
Estates, etc.	567,206	522,637

Canada & Dominion Sugar

Canada & Dominion Sugar Co., Chatham, Ont., the major Canadian refiner, reports net profits for the year ended Jan. 31, 1937, equivalent to $3.29 a share on the 500,000 outstanding common shares. This compares with $3.47 a share in the preceding year.

Payment of dividends of $3.50 a share resulted in a deduction of $105,004 from surplus, which was further decreased by expanding the contingency reserve and provision of $50,000 for pension reserve. The reductions in earned surplus are reflected in the working capital position. However, the company retains most of its current assets in cash and government bonds.

Income and Surplus Account
Years Ended Jan. 31

	1936 $	1935 $
Operating profit	2,097,653	2,224,858
Add: Inv't. income	388,158	406,067
Net income	2,485,811	2,630,925
Less: Depreciation	490,815	489,186
Income tax	350,000	407,844
Net profit	1,644,996	1,733,895
Less: Dividends	1,750,000	1,250,000
Surplus for year	*105,004	483,893
Add: Prev. surplus	†2,133,754	1,947,420
Less: Conting. res.	300,000	275,000
Pension reserve	50,000	......
Surplus forward	1,678,750	2,156,315

*Deficit. †Adjusted.

Working Capital Position

	1936 $	1935 $
Current assets	14,916,187	14,523,907
Current liabilities	1,699,441	773,898
Net working capital	13,216,746	13,750,009

Saguenay Electric

Saguenay Electric Co., subsidiary of Saguenay Power Co., reports an operating revenue in 1936 of $360,855, as against $235,155 in 1935. After providing for interest charges, depreciation and other senior charges, there was a net loss for the year of $7,835. This compares with a net loss of $20,126 the year before.

The financial position as shown on the balance sheet shows little change. The outstanding funded debt was reduced during the year by $34,000, while advances from affiliated companies increased by $11,000. A small favorable working capital report in 1935 has turned into an adverse working capital of about $2,500.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross income	267,820	240,517
Less: Oper. expenses	148,764	138,585
Bond interest	67,320	69,100
Other interest	5,114	5,081
Bond discount	6,144	6,144
Bad debts	5,209	......
Depreciation	43,103	41,643
Net loss	7,835	20,126
Less: Profit on bonds	680	14,458
Add: Prev. deficit	31,208	25,540
Deficit forward	38,363	31,208

Working Capital

	1936 $	1935 $
Current assets	96,112	80,229
Current liabilities	98,690	78,125
Working capital	*2,578	2,104

*Excess of liabilities.

Distillers Corp.-Seagrams Ltd.

Distillers Corporation-Seagrams reports sales for the three months ended Jan. 31, 1937, substantially higher than for the corresponding period of a year ago. Net profit was equal to $1.44 a share on the common, after payment of preferred dividends in the quarter ended Jan. 31, 1937, as compared with $1.02 in the corresponding quarter of 1936. The company deducted $1,096,339 as commission and expenses in connection with the sale of the cumulative preferred stock. A balance of $20,132,005 was carried forward in surplus account at Jan. 31, 1937.

For the six month ended Jan. 31, 1937, the company reported earnings equivalent to $2.51 a share on the common stock against $1.62 a share in the six months ended Jan. 31, 1936.

Income and Surplus Account
Three Months Ended Jan. 31

	1937 $	1936 $
Net sales	26,416,002	18,145,006
Less: Cost of goods sold	18,343,762	12,465,356
Gross profit	8,072,240	5,679,650
Add: Misc. income	57,330	31,387
Total income	8,129,570	5,711,037
Less: Sell., gen. & admin. exp.	3,670,266	3,462,792
Directors' fees	250	500
Executive salaries	82,174	67,028
Legal fees	40,544	56,598
Interest (net)	221,846	114,106
Depreciation*	25,390	12,526
Loss on cap. assets	46,686	......
Inc. & profit taxes	1,099,832	222,000
Flood damage	240,706	......
Net profit	2,701,876	1,775,487
Less: Pref. divd.	187,500	......
Surplus for period	2,514,376	1,775,487

*Depreciation charged for the 1937 period amounted to $208,487 of which $183,097 was charged to cost of production and $121,045 in 1936.

Hayes Steel

Hayes Steel Products Ltd., Merritton, Ont., and its subsidiary, O. & W. McVean Ltd., report substantial improvement in operations in 1936, net earnings showing an increase of 132%. The 1936 results, in fact, are the best reported since 1929.

Net profit for the year amounted to $32,081, compared with a deficit of $34,513 in 1935. Earnings on the preferred stock were equivalent to $1.47 a share compared with dividend requirements of 60 cents a share. Earnings on the common stock were equivalent to 78 cents a share.

While bond interest charges are substantially lower than in 1935 as a result of the capital reorganization approved early in 1936, the reduction is more than offset by increased provision for depreciation.

The issued capital of the company consists of $218,250 of 6% first mortgage bonds, $218,250 of 6% preferred stock and 24,230 common shares of no par value.

Working capital increased during the year by more than $100,000.

Cons. Income & Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating earnings	172,348	80,661
Less: Salaries & legal fees	21,411	16,217
Net earnings	150,937	64,444
Less: Depreciation	98,261	63,839
Bond interest	13,095	▲30,118
Income taxes	7,500	......
Net profit	32,081	†34,513
Add: Prev. earned surp.	......	......
Capital surplus	*106,631	58,791
Less: Loss on sale of assets	......	3,818
Balance forward	138,712	20,460

▲Not paid, later cancelled.
†Deficit or loss.
*Consists of capital surplus brought forward of $20,460; recovery of investment previously written off, $21,688; contingency reserve not needed, $1,758; and bond interest reserve of $62,725 released under terms of capital reorganization.

Working Capital

	1936 $	1935 $
Current assets	508,712	328,260
Current liabilities	130,848	55,935
Working capital	377,864	272,325

Melchers

Melchers Ltd. financial statement for 1936 shows a moderate contraction in earnings, income from operations totalling $88,199, as against $93,053 the year before. After providing for taxes and distribution of $50,000 to the class A shareholders, surplus account stood at $76,426, compared with $38,759 at the close of 1935.

The balance sheet reflects the compromise arrangements made with the shareholders. Assets have been written down from about $4 millions to just under $2 millions. This was effected principally by wiping out intangible items such as trademarks, etc., and reducing fixed assets from $1.4 million to $916,211.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	88,199	93,053
Less: Income tax	17,250	......
Depreciation	......	19,625
Surplus	70,949	73,428
Previous surplus	67,977	15,431
Less: A divds.	50,000	50,000
Reorg. expense	12,500	......
Surplus forward	76,426	38,859

Working Capital

	1936 $	1935 $
Current assets	1,071,034	1,021,444
Current liabilities	415,356	962
Working capital	655,678	1,020,482

Canada Malting Co.

Canada Malting Co. reports earnings equivalent to $4.51 a share in the 17 months ended Dec. 31, 1936. The period covered by the new report was lengthened five months by the change of the fiscal year-end from July 31 to Dec. 31. In the 12 months ended July 31, 1935, earnings were $2.86 a share, but this and other earnings figures are not strictly comparable with those for the 17 months.

Arnold C. Matthews, president, explains the pronounced change in current assets and liabilities which show an increase of inventories from $953,000 to $4 millions and inclusion of a bank loan of $1.2 million. These are largely due, he says, to the change in year-end from the low inventory to high inventory period, and also to high barley prices.

Income and Surplus Account

	17 Mos. to Dec. 31 1936 $	12 Mos. to July 31 1935 $
Operating profit	1,485,805	933,774
Add: Invest. income	37,832	9,847
Profit on secs. sold	20,631	......
	1,544,268	943,621
Less: Depreciation	283,333	200,000
Income taxes	295,000	115,643
Executive salaries, legal fees	67,111	56,818
Directors' fees	2,377	1,640
Net profit	896,447	569,520
Less: Dividends	646,766	298,526
Surplus for period	249,681	270,994
Add: Prev. surplus	917,427	656,491
Less: Addit. inc. tax	25,060	10,058
Pension fund	75,000	......
Surplus forward	1,067,048	917,427

Working Capital Position

	1936	1935
Current assets	4,634,400	2,875,833
Current liabilities	1,562,193	158,293
Net working capital	3,072,207	2,717,540

Administration and Trust

An increase in estates under administration and a moderate decrease in net profits featured the 1936 annual report of Administration and Trust Co. (Societe D'Administration et De Fiducie) Montreal. The company operates branch offices in Quebec, Winnipeg, Regina, Edmonton and Vancouver.

Shareholders' Position

	1936	1935
Rate earned per share	10.9%	11.6%
Div. paid per share	8%	8%
Net profits	$54,613	$58,009
P. & L. surplus	259,112	254,465
Reserves	248,653	248,653

Creditors' Position

	1936	1935
Deposits	$13,000	$29,200
Secured by:		
Liquid assets	13,000	29,200
Net capital assets	1,603,747	1,598,250

Estates, Etc.

	1936	1935
Estates under admin.	33,247,180	32,978,505

Inter. Hydro Electric

Consolidated operating revenue and other income of International Hydro-Electric System amounted to $64.6 millions in 1936 as compared with $63.3 millions in 1935. The marked improvement in operating revenue of the New England Power property was in large part offset by the decline in revenue of the Canadian property. As a result consolidated earnings of the system after all charges amounted to $957,472, as against $1,131,259 in 1935.

During the year the system effected a net reduction in the funded debt of $2 millions. Notes payable of New England Power Association and subsidiaries were reduced by $756,000 and a further reduction of $250,000 has been made in this item since the end of the year.

Refinancing of three issues of funded debt of subsidiaries of New England Power Association during 1936 will result in net savings approximating $700,000 yearly, only part of which was realized during 1936. The refinancing was carried out by Connecticut River Power Co., Narragansett Electric Co. and New England Power Co.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Total revenue	64,613,976	63,334,847
Less: Oper. expenses	31,567,641	30,199,649
Net revenue	33,046,335	33,135,198
Less: Sub. interest	12,539,583	12,896,977
System interest	1,594,060	1,618,693
Debt discount	929,741	921,839
Depreciation	5,434,156	5,182,658
Income taxes	1,522,095	1,817,911
Profits tax	3,586	......
Sub. dividends	8,560,388	8,561,132
Minority interest	1,179,736	1,004,728
Other charges	425,498	......
Surplus for year	957,472	1,131,259
Add: Previous surplus	3,798,162	8,491,388
Profit on bonds	111,624	161,865
Adjustments	......	189,752
Less: Amort. share options	124,500	124,500
Adjustments	3,951	......
W/o N. E. P. Assoc.	......	4,301,603
Add. depreciation	1,750,000	1,750,000
Surplus forward	2,988,807	3,798,162

Working Capital

	1936 $	1935 $
Current assets	20,548,074	22,790,336
Current liabilities	12,749,410	14,994,547
Working capital	7,798,664	7,795,789

Simpsons Ltd. Approves Plan

Company Paid $5.58 in Taxes for Each $1 in Dividends

Shareholders of Simpsons Ltd. at their annual meeting on April 8 approved the plan of arrangement for liquidation of the arrears of dividends of $21.50 a share on the company's 6½% preference stock.

Arrears of dividends will be cancelled and the dividend rate reduced from 6½% to 5%. In consideration of these concessions preference shareholders will receive one-half share of class A stock and one-half share of class B stock for each preference share.

In his address to shareholders, C. L. Burton, president, drew attention to the increasingly heavy burden of taxation. Total direct and indirect taxes paid by the company and its subsidiaries in 1936 totalled $3.6 millions compared with $1.3 million in 1933.

Taxes Increase

For each dollar of wages paid in 1936 the company paid taxes to the extent of 50 cents as against 42 cents in 1935. For each dollar of net earnings, before paying dividends to shareholders, the company paid $4.56 in taxes. For each dollar in dividends it paid $5.58 in taxes.

Commercial Alcohol Puts New Stock on Curb

From Our Own Correspondent

MONTREAL.—Commercial Alcohol's new stock has been called for trading on the Montreal Curb Market. The listing covers 50,000 shares of 8% cumulative preferred stock of $5 par value and 75,000 additional common shares no par value.

Do you play the Cymbals or the Horn?

A Roman Emperor was so pleased with his orchestra that he ordered his servants to give every player as much wine *as his instrument would hold*. Seeing one man weeping bitterly, he inquired the reason. "Forgive me", said the bandsman, "but I play the *cymbals*".

Many investors content themselves with cymbals when the rewards all go to the horns. Haphazard hunches tie up and eventually dissipate hard-earned savings that deserve steady enhancement. Hunches are as costly to purchase as a gilt-edged security and often are as hard to sell as last year's almanac.

Your money merits all the safeguards that accurate information and seasoned judgment can provide. You owe it to yourself to utilize the protective facilities we place freely at your disposal.

JOHNSTON AND WARD

Head Office: THE ROYAL BANK BLDG., MONTREAL
TORONTO, ONT.—330 Bay Street. Telephone Waverley 4661

Members:
Montreal Stock Exchange
Montreal Curb Market
Canadian Commodity Exchange, Inc.

Branches:
Montreal, P.Q. Toronto, Ont. Kingston, Ont. London, Ont.
Halifax, N.S. Sydney, N.S. Moncton, N.B. Saint John, N.B.

Ask to see the "GUARANTEED" SWEAT-PROOF CARTER DETACHABLE LEATHER exclusive with Biltmore Hats

BILTMORE HATS FOR MEN

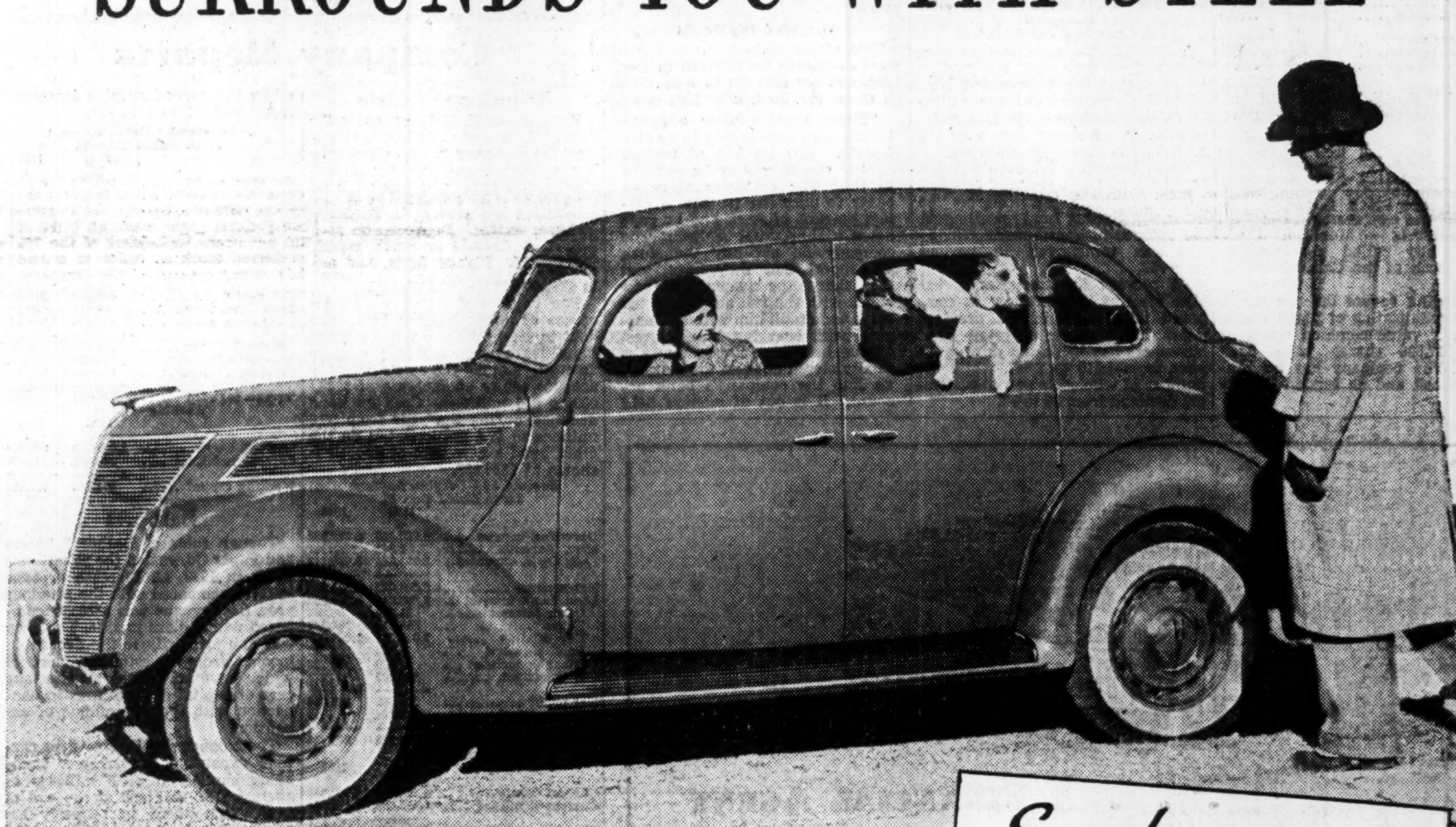
A new high in distinction and smartness. The new Biltmore Homburg excels in every point of hatcraft... style leadership, lasting shapeliness, and perfect wearing quality and comfort.

At leading men's stores from coast to coast

BILTMORE
The Master Hat of Canada
Creators of ROYAL BILTMORE • PRINCE BILTMORE • LORD BILTMORE

The Ford V-8

SURROUNDS YOU WITH STEEL



STEEL TOP—ALL-STEEL BODY
SAFETY GLASS THROUGHOUT
at no extra charge

SOBER THINKING about modern safety and sound engineering has resulted in the safest Ford car ever offered. You and your family will ride surrounded with steel in the Ford V-8 . . . top, side panels, floor and frame, all welded into a single steel unit of great protective strength. And the established use in Ford cars of Safety Glass throughout at no extra charge is a further safeguard. But Ford V-8 safety does not end there. Easy-Action Safety Brakes, which give you "the safety of steel from pedal to wheel," are positive and direct. This braking system gives quicker straight-line stops with feather-light pressure on the brake pedal. Instant response of the improved, more economical Ford V-8 engine . . . lower centre of gravity which makes the car hug the road . . . and big tires on rugged steel wheels make the Ford V-8 safer still. As modern in appearance, comfort and economy as it is in safety, truly the quality car in the low-price field. Ask your Ford dealer to let you drive it.

TUNE IN FORD SUNDAY EVENING HOUR, 9 P. M., E. S. T., *Columbia Broadcasting System.*

Everything THAT MAKES A Quality CAR

ALL-STEEL BODY—Not an ounce of wood in all-steel body structure. Steel top, floor, panels and frame. Safety Glass throughout at no extra charge.

EASY-ACTION SAFETY BRAKES—This braking system gives quicker straight-line stops with feather-light pressure on braking pedal. "The safety of steel from pedal to wheel."

GREATER OPERATING ECONOMY—Improved V-8 engine gives its outstanding performance with unusually low gasoline consumption.

COMFORT AND QUIET—Smoother and quieter Centre-Poise Ride. Easier steering because of worm and roller type steering gear. Starter button is on instrument panel; parking brake lever is below it.

MODERN APPEARANCE—Streamline design. Slanting V-type windshield opens in all closed cars. Headlamps recessed into fender aprons. Modern lid-type hood is hinged at the back. Radiator ornament serves as hood latch.

BEAUTIFUL INTERIORS—Luxurious upholstery and trim. Instrument panel has all gauges grouped for rapid reading. Adjustable driver's seat rises as it slides forward. Choice of colours and upholstery.

$30 A MONTH, with reasonable down-payment, buys any new Ford V-8 Car under T. F. C. National Finance Plan.

The Quality Car in the Low-Price Field

Hudson's Bay Pays Arrears On Preferred

Unsold Lands Amount to 1.9 Million Acres

Payments of arrears of dividends on its 5% preference stock is to be made by Hudson's Bay Co. on May 1 to shareholders of record April 14. Dividends are in arrears from Jan. 1, 1931, to Dec. 31, 1936, or 30%. This will require a payment of £350,700 after deducting income taxes.

During 1936 the company made a capital repayment to preference shareholders of 30 shillings on each £5 share, thus reducing the shares to a par value of £3½. This involved a payment of £600,000. All dividends arrears on the 30 shillings payment were paid and on Jan. 1, 1937, the company paid the dividend on the balance or preference capital outstanding for the half year to Dec. 31, 1930. Payment of these arrears, after deducting taxes, took £169,760.

Surplus account has been bolstered by transferring £112,525 from insurance reserve. This represents a surplus in the reserve in excess of requirements. After payment of arrears of dividends, however, surplus will amount to only £33,211.

During 1936 the company sold 47,208 acres of land in western Canada and 38,842 acres reverted to the company under cancelled sales. Unsold land in the possession of the company at Jan. 31, 1937, amounted to 1,901,888 acres. The average price received for land sold was £1 9s. 1d. per acre.

Net profit for the year was £226,695 as compared with £144,717 in the previous year. This improvement is due in part to a smaller provision being made for depreciation.

Buildings and depreciation account has been increased by transferring £600,000 from the general reserve and £523,253 from the share premiums account. At Jan. 31, 1937, the reserve stood at £3,033,328, compared with £1,760,075 in the previous year.

Income and Surplus Account
Years Ended Jan. 31

	1937	1936
Income:	£	£
Trading profit	353,325	321,058
Land dept.	29,794	29,178
Transfer fees	612	366
	383,731	350,602
Expenses:		
Governor & c'mittee	6,236	5,703
Depreciation	150,000	199,382
Auditors' fees	500	500
Archbishop of R. L.	300	300
Net profit	226,695	144,717
Less: Pref. divds.	169,760	......
Surplus for year	56,935	144,717
Add: Prev. surplus	214,451	69,734
Trans. from ins. res.	112,525	......
Balance forward	383,911	214,451

Working Capital

	1937	1936
	£	£
Current assets	4,045,296	4,001,388
Current liabilities	2,004,782	1,563,729
Working capital	2,040,514	2,437,659

Celtic Stock Listed

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading capital stock of the Celtic Knitting Co.

The listing covers the company's entire capitalization of 30,000 shares of no par value common stock, of which 27,000 shares have been issued. The company has no preferred stock and no funded indebtedness.

No Applications For Power Export

From Our Own Correspondent

MONTREAL. — No application has been received by the Dominion Government for license to export power, aside from a small block which the Minnesota & Ontario Paper Co. plans to export across the line.

A statement to this effect was given in the House by Minister of Trade and Commerce Euler and sets at rest the oft-repeated rumor that Beauharnois has applied for a license to export power into New York state.

Quebec Bill Irks Ontario

Ontario Minister Takes Exception in Letter to Duplessis

Hon. H. C. Nixon, Ontario Provincial Secretary, has written to Premier Maurice Duplessis of Quebec taking exception to Bill No. 5 now before the Quebec Legislature.

Among other things, the bill provides:

"No corporation unless it be solely constituted under a law of this province (Quebec) may acquire any right in any hydraulic power or force waterfall, rapid, land, forest or mine-forming part of the public domain of the province on Mar. 15, 1937, or which may form a part thereof at any time after such date."

Mr. Nixon's letter states in part:

"It is respectfully but strongly urged that any enactment of such a bill would contravene the reciprocal arrangement made in 1930 between the Province of Quebec and the Province of Ontario.

"It is also respectfully urged that, in its present form, such legislation must not only prejudicially affect the interests of many Ontario corporations, but also appears to be a very drastic departure from the policy of co-operation in respect to corporation matters which has existed between the Provinces of Ontario and Quebec during recent years, and which co-operation was manifested so recently during the Dominion-Provincial conferences with respect to uniformity of company law."

Nova Scotia Power Board Reports Higher Output

From Our Own Correspondent

MONTREAL.—Nova Scotia Power Commission delivered 210 million kw.h. during the year ended Nov. 30, 1936, an increase of three million kw.h. over the preceding 12 months, according to a report issued by the Nova Scotia Power Commission.

Gross revenues received totalled $1,168,630 and net revenue $908,095. After providing for interest on loans and sinking fund installments, the balance of approximately $175,000 was transferred to various reserves.

At present the Commission has nine systems in operation, as compared with eight in the previous year. The number of retail rural customers has increased during the year from 1,210 to 1,347, while the number of wholesale power customers declined from 26 to 23.

Appeal is Lost By Solloway

Must Pay $3,296,591 Under Supreme Court Judgment

Isaac William Solloway must pay $3,296,591, and legal costs, to G. T. Clarkson, liquidator of the former stock brokerage firm of Solloway, Mills & Co. Ltd., incorporated under Dominion statutes.

Such is the effect of judgment on appeal delivered by Hon. Mr. Justice J. C. Makins, April 8, 1937, in Supreme Court of Ontario.

The judgment upholds the findings of O. E. Lennox, Assistant Master at Osgoode Hall, Toronto, that Solloway, as a director and officer of Solloway, Mills & Co., the Dominion company, had been guilty of misfeasance and fraudulent breaches of trust in respect of items, which with interest make up total of $3,296,591 and dismisses Solloway's appeal.

"I have carefully checked the evidence taken before the learned Assistant Master, bearing on each of the points in appeal," says Mr. Justice Makins, "and I find in all cases that there was evidence upon which the said Master might make his findings of fact relating to said points, and he having seen and heard the witnesses his findings should not be disturbed."

First Point of Appeal

The first point in the Solloway appeal, says the judgment, was that Mr. Lennox misconceived the misfeasance proceedings; that the money must be considered as belonging to the company; that the liquidator cannot assert the right of third parties and cannot recover more than the company itself could; and finally that section 125 of the Winding-Up Act does not permit the procedure taken at the instance of the liquidator, Mr. Clarkson.

On these points, Mr. Justice Makins says that the company apparently has creditors in very large sums and unpaid judgments also to the amount of about $400,000. "In the winding-up proceedings," he says, "the liquidator, being an officer of the court, is in an impartial position, and is acting for the creditors, and if the company's moneys are improperly taken to the prejudice of creditors he has a right to take action to have it restored." Section 125, says the judgment, makes available to creditors that which before was only available to the company, and Mr. Justice Makins is of the opinion that Mr. Lennox was right in his procedure.

Disputed Dividends

Two of the main items in appeal were dividends for $750,000 in Dec., 1929, and for $875,000 in Aug., 1930. Of these, Mr. Justice Makins states:

"These moneys were accumulated from margins paid in by customers. The method of trading by the company may be reduced to this: The customer gives an order to purchase for him a certain amount of stock and he pays down a substantial margin. The company do not buy the stock but report that they have, and they charge the customer in their books with the full amount of the stock and credit him with the margin paid, charging him interest on the balance. The customer is finally closed out and the margins go into the company's bank account. It is out of moneys held in this way that these dividends were paid.

"These moneys in the circumstances did not belong to the company. The customer is entitled to recover what he paid from the company as moneys for which he received no consideration. The company was a trustee for the customer for the money. In no sense could these moneys be called profits earned by the company."

500,000-Share Deal

Another item mentioned in the appeal was $500,000 procured from the company by Solloway in payment for 500,000 shares of McDermott Gold Mines Ltd. "This transaction cannot be defended on any ground," says the judgment. "It was a most improvident transaction and there is the conflict of interest thoroughly established."

Of the 10 to 12 lesser items the subject of appeal by Solloway, the judgment states that close checking of the findings of Mr. Lennox do not lead to the conclusion that he is wrong in any of them.

The judgment finds that an attempted ratification in Oct., 1931, was futile and evidently was not depended on by Solloway.

W. J. P. Jenner and E. B. Titus acted for the liquidator, and the appeal was argued on behalf of Solloway by Arthur Slaght, K.C., and R. I. Ferguson.

COURTAULD DIRECTOR

S. G. Dixon, K.C., partner of the Montreal law firm of Stairs, Dixon & Claxton, has been elected a director of Courtaulds (Canada) Ltd.

Installment Sale Changes Asked

Quebec Merchants Want Restrictions on Seizable Articles

From Our Own Correspondent

QUEBEC.—A drastic change in the law governing installment sales is sought by Quebec retail merchants, their aim being to have the law amended in such manner that merchants who do business on the installment system be prevented from seizing articles other than those they actually have sold under this system.

Whether the Government will act upon the suggestion made by the association to have the law amended remains to be seen, but it is hardly likely that it will step in and settle what really is a private matter. If a city introduces a bill providing for changes in which installment firms are mentioned, and the changes are authorized, other cities or towns may follow suit, with an equal chance of success, but it is practically impossible for the Government of the province to step into the fight, and decree just what the powers of the firms that do business on time payments shall be.

Dominion Tar Lists New Stocks in Montreal

MONTREAL. — Capital stock of Dominion Tar and Chemical Co. has been called for trading on the Montreal Stock Exchange. The listing covers 50,350 shares of preferred stock and 273,184 shares of common stock. The preferred stock will be replaced by an equal number of new 5% cumulative preference shares when supplementary letters patent have been issued confirming the proposed arrangement with shareholders designed to wipe out the arrears on the present preferred stock.

The application to the Exchange also covers a proposed increase in the authorized common stock from 300,000 to 450,000 shares and gives the company authority to add 100,700 shares of no par value common on official notice of issuance. These additional shares will be issued to the holders of preference shares in lieu of dividends, on the basis of two common shares for each preference share.

Alters Record Date

To conform with Toronto Stock Exchange regulations, Consolidated Press, Ltd., has changed the record date of the recently declared dividend from March 31 to April 5. The payment of 25 cents a share will therefore be made May 1 to shareholders of record April 5.

Newsprint Output Sets New Mark

World Production Up 8% for 1936 — Canada's Share 39%

From Our Own Correspondent

MONTREAL. — World newsprint production reached an all-time high to date in 1936 with 8.2 million short tons, according to the compilation of the News Print Service Bureau. This was 589,000, or about 8% greater than for 1935, the previous record year.

Canada made 39% of the world newsprint production last year, Great Britain 12% and United States 11%. Germany furnished 6%, Finland and Japan each 5%, France and Newfoundland each 4%, Sweden and Russia 3% each, with lesser amounts from other countries.

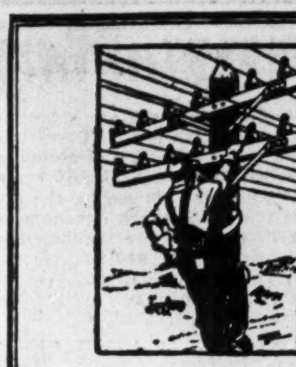
Particulars of the production in 1936 and 1935 follow:

(Thousand short tons)

	1936	1935
Canada	3,192	2,753
Great Britain	1,004	970
United States	921	912
Germany	525	464
Finland	402	329
Japan	384	368
France	331	358
Newfoundland	328	338
Sweden	282	298
Russia	217	193
Norway	200	182
Netherlands	91	92
Italy	69	76
Austria	57	50
Belgium	53	48
Czechoslovakia	46	41
Switzerland	44	45
Poland	32	34
Spain	18(?)	42
Chile	7	6
Latvia	7	6
Estonia	7	4
Mexico	..	20
Denmark	..	1
Total	8,217	7,628

G. H. Bucher Director of Can. Westinghouse

G. H. Bucher, New York, was elected a director of Canadian Westinghouse Co. at the recent annual meeting, replacing Charles A. Terry on the board.



"Serving Industry"

The telephone has become a necessity in business. The expansion in Canadian business has witnessed a substantial increase in telephone installations resulting in higher earnings for operating companies.

Anglo-Canadian Telephone Company, through its control of British Columbia Telephone Company, second largest telephone company in Canada, continues to participate in this increase.

Write or telephone for full information with regard to the Company's 5½% Cumulative Preferred Shares, currently yielding 5¼%.

W. C. Pitfield & Company
Limited

235 St. James Street MONTREAL
80 King St. West TORONTO

Ottawa Quebec Saint John Halifax
Vancouver London, England New York

E. B. Eddy Gives Contract For Mill to Foundation Co.

From Our Own Correspondent

MONTREAL. — Contract for bleached sulphite mill addition to the E. B. Eddy Co. plant at Hull, P.Q., has been awarded to Foundation Co. The cost of the mill and equipment is estimated at $500,000.

The great demand for and a marked increase in the value of bleached sulphite pulp over the past year has caused a number of companies to enlarge their productive facilities in order to take advantage of the situation.

Company Reports

Winnipeg Electric

Earnings of Winnipeg Electric Co. during 1936 were sufficient to enable the company to pay all operating expenses, provide for depreciation and taxes and pay all bond interest. Net income, after all charges except interest on Series B bonds of $440,568 compared with $385,354 in 1935. Interest requirements on the B bonds are limited to $240,000 to the end of 1941.

The balance sheet shows an increase of about $500,000 in funded debt to $36.9 millions, while current liabilities are up about the same amount. Among the assets property account shows an increase of $200,000 to $75 millions. Cash on hand declined during the year from $2.9 millions to $2.4 millions, but on the other hand a new item of deposit is shown at $834,822.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating income	6,638,495	6,352,338
Misc. Revenue	1,372	......
Less: Oper. expenses	3,274,844	3,090,111
Net revenue	3,365,023	3,262,226
Less: Bond interest	1,255,348	1,242,598
Other interest	51,780	66,201
Taxes	538,503	502,333
Depreciation	1,018,601	1,000,000
Bond discount	5,884	4,940
Other deductions	54,339	60,798
B bonds int.	240,000	......
Net profit	200,568	385,354
Previous surplus	385,354	......
Surplus forward	585,922	385,354

Working Capital

	1936	1935
	$	$
Current assets	4,420,585	4,340,545
Current liabilities	2,972,806	2,472,844
Working capital	1,447,779	1,867,701

Robert Mitchell

Robert Mitchell Co. reports a total income of $65,010 during 1936, as compared with a deficit of $16,743 in the previous year. After providing for bank loans and interest, executive salaries, net profit totalled $23,060, compared with a deficit of $49,900 after the same charges in 1936.

The balance sheet shows net working capital of $222,665 at the close of 1936, a decline of about $28,000 during the year. The bank loans of $110,000 were entirely liquidated and cash was increased from $13,204 to $66,314. The balance sheet further reflects the recapitalization carried out last year, capital stock having been reduced from $1.7 million to $1 million. This step is reflected in the reduction of fixed assets from $1.6 million to $857,571.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Total revenue	65,010	*16,743
Less: Bond interest	4,140	5,064
Exec salaries	35,050	27,516
Legal expense	2,758	577
Net profit	23,060	*49,900

*Loss.

Working Capital

	1936	1935
	$	$
Current assets	292,049	470,500
Current liabilities	69,384	220,025
Working capital	222,665	250,475

Associated Breweries

Consolidated earnings of Associated Breweries for 1936 amounted to $720,133, as against $509,533 in 1935. The substantial gain reflects increased revenues derived from investments in breweries and malting companies in the United States which disbursed larger dividends than normally owing to the United States new taxes on undistributed profits. Earnings on the preferred stock amounted to $44.68 a share, as against $25.48 in the previous year, while income available on the common totalled $1.54 a share, as against 79 cents a share in 1935.

The net working capital was well maintained at the end of 1936, as shown by the consolidated balance sheet. Among the liabilities the outstanding preferred stock was reduced from $965,200 to $914,300, while the earned surplus increased from $511,601 to $713,995.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net oper. profit	595,158	430,737
Rev. from invests.	99,672	49,745
Other revenue	25,303	29,051
Total revenue	720,133	509,533
Less: Directors' fees	4,400	4,400
Depreciation	148,450	141,578
Income taxes	158,789	117,535
Net profit	408,494	246,020
Less: Pref. divds.	64,018	68,147
Common divds.	190,910	168,450
Surplus for year	153,566	9,423
Non-recurring rev.	48,828	......
Previous surplus	511,600	502,177
Surplus forward	713,994	511,600

Working Capital

	1936	1935
	$	$
Current assets	1,019,910	890,951
Current liabilities	214,754	167,980
Working capital	805,156	722,791

Bathurst

Though sales of Bathurst Power and Paper Co. passed the $2 millions mark in 1936, an increase of over $200,000 compared with the previous year, net revenue was $328,291 compared with 351,522 in 1935. The drop was due primarily to the decline in income from investments, part of which have been liquidated to take care of capital expenditures in connection with the programme of expansion.

The balance sheet reflects the current expansion programme, assets being carried at $16.9 millions as against $16.5 millions at the end of 1935. Investment in property accounts shows an increase of $13.7 millions to over $14.1 millions. At the same time inventories increased over $400,000 to $1.2 million. Holdings of the marketable securities, on the other hand, declined from $1.1 million to $700,000, while cash was off from $264,076 to $153,478.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Sales	2,069,072	1,817,670
Cost of sales	1,810,143	1,568,876
Gross profit	258,929	248,794
Other income	69,362	102,728
Total income	328,291	351,522
Less: Depreciation	176,089	176,381
Tax provision	10,000	16,300
Other deductions	94,832	64,308
Net profit	47,370	94,533
Prev. surplus	22,489	*72,044
Surplus forward	69,859	22,489

*Deficit or loss.

Working Capital

	1936	1935
	$	$
Current assets	2,582,040	2,686,141
Current liabilities	402,455	251,767
Working capital	2,179,585	2,434,374

North of Scot. Can. Mortgage

The North of Scotland Canadian Mortgage Co., incorporated in 1875 with its head office in Aberdeen, Scotland, has its mortgage holdings chiefly in western Canada. Better prices for wheat in 1936 resulted in the first net profit since 1932.

A final payment of 10% will be made to holders of terminable loans on May 15, thus completing the reduction in these loans to 50% under a scheme of arrangement with holders. The company's Canadian head office is in Winnipeg.

Earnings Record

Year end. Feb. 15	Paid-up Capital £	Net Profits £	Rate Earned per sh. %
1935	612,663	*10,048	..
1936	613,673	*8,002	..
1937	614,043	7,856	1.28

*Loss.

Creditors' Position

	1937	1936
	£	£
Debenture stock	548,455	548,455
Deposits	284,706	308,431
	833,161	856,886
Secured by:		
Liquid assets	41,727	29,614
Mortgages	1,533,844	1,567,125
Other net assets	101,126	97,556
	1,676,697	1,694,295

. . . A Financial Agent To Look After Your Securities

DIRECTORS
Thomas Bradshaw
Charles McCrea, K.C.
Hon. A. C. Hardy
Col. John F. Michie
H. H. Williams
A. H. Campbell
F. Barry Hayes
Samuel J. Moore
Isaac Pitblado, K.C.
Alexander MacLaren
Paul J. Myler
Albert Matthews
Charles S. MacInnes, C.M.G., K.C.
A. E. Phipps
W. G. Watson
T. A. Russell
Alexander Fasken, K.C.
C. S. Macdonald
Arnold C. Matthews
Arthur E. Bishop
Hon. G. H. Ferguson
W. Kaspar Fraser, K.C.

While retaining full control of your investments you can arrange for this Corporation to attend to all management details. The formalities are simple and consist of depositing your securities, for which we issue a receipt, and giving us a brief letter of instructions . . . . We collect and deposit the income, buy or sell securities at your order, keep you informed of changes affecting your holdings and render statements at regular intervals . . . . Under this arrangement you avoid the necessity of keeping files of correspondence, statements from brokers, and accounts. Accurate records are kept by this Corporation and are always available for income tax returns or other purposes . . . . An agency account is a particular convenience if you are travelling; instructions can be sent by letter or cable . . . . Fees are nominal. We invite your inquiries.

THE TORONTO GENERAL TRUSTS CORPORATION

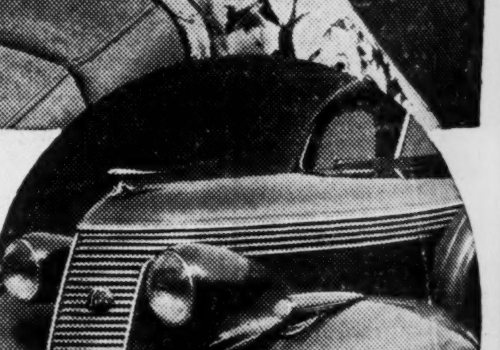
Established 1882
W. G. Watson, General Manager

Assets under administration $240,000,000

STUDEBAKER PRESENTS THE State President

OFFERING INFINITE RICHES WITHOUT REQUIRING THEM

ACTUAL PHOTOGRAPH



★ Here is the limit in luxury at a limited price! A premium car without the premium! Looks and acts like $4000! A patrician if ever there was one!

Styled with instructions to stop at nothing! No costly custom creation you ever saw surpasses the smartness of its interior. New pillow type full Marshall spring upholstery. Rear seat center arm rest that's almost table width. Front seat floor mat and kick pads match the upholstery. Cloth covered sun visors. Chrome sill panels.

The beautifully air curved exterior of the State President has tiny fender lamps with chrome stripings. Chrome running board mouldings. The world's only doors that shut lightly, tightly and silently. And enormously roomy lighted trunks.

And here's the real news! This new State President is priced only a few dollars higher than the standard Studebaker President which everyone who has shopped the 1937 cars calls the finest car that a small amount of money ever bought.

STUDEBAKER'S C. A. C. 7% BUDGET PLAN OFFERS LOW TIME PAYMENTS

The Studebaker Corporation of Canada Limited
Walkerville, Ont.

RIDE IN STATE IN THE STATE PRESIDENT

Rising Prices Still Expand Crop Values

1936 Wheat Harvest is Worth $150 Millions to Prairie Farmers

SOME STILL HELD

With approximately 18 million bushels of 1936 crop wheat still to be marketed western Canadian farmers are expected to receive a total of approximately $150 millions for the wheat crop harvested last fall. Not since 1930 has such a gross return been exceeded. Unfortunately, of course, last year the grain crop was not well distributed, a large portion of southern Alberta and Saskatchewan reporting practically no crop as a result of the extensive drought.

Sanford Evans Statistical Service of Winnipeg estimates net money value to farmers for wheat marketed from the beginning of August until the end of March this spring at almost $130 millions. This compares with less than $114 millions for the corresponding period in 1936. It is also estimated that slightly over 18 million bushels remain in farmers' hands over and above feed requirements. This should be worth well over $1 per bushel at the farm.

Supplies Held Back

Apparently some farm supplies of wheat have been held back in the last six months in the hope of still higher prices. At the beginning of the year, however, there was a very heavy rush of marketing with weekly deliveries amounting to substantial totals even in late July.

Net money value to farmers for wheat delivered during the period August 1 to March 31 each year and total amount of bushels delivered are estimated by Sanford-Evans as follows.

Wheat Repeats and Deliveries by Farmers

Year	$	Bushels
1936-37	129,766,000	149,575,000
1935-36	113,860,000	193,266,000
1934-35	115,831,000	193,493,000
1933-34	85,209,000	186,987,000
1932-33	95,498,000	317,583,000
1931-32	98,115,000	228,205,000
1930-31	143,102,000	276,390,000
1929-30	265,363,000	221,305,000

What's What In Advertising

By JACK STONE

International Fibre Board Ltd., has commenced an extensive 1937 advertising campaign, in fact, the largest undertaken in some years. Advertisements will appear in national magazines, rotogravure sections of weekly newspapers, and export and building journals. The account is directed by Young and Rubicam Ltd., Montreal.

* * *

Sugar-Crisp Corn Flakes, a product of General Foods Ltd., will use an increasingly popular mode of advertising in a new campaign to start within a short time, in comic-strip advertising. Space is being taken in many eastern Canada daily newspapers. A marked increase of the 1937 appropriation is the use of newspapers in western Canada, previously not included in the schedule. The Baker Advertising Agency Ltd., Toronto, handles the account.

* * *

The Canada Bread Co. Ltd., is using larger space in a number of daily newspapers to announce their new "Coronation" loaf. This loaf has been named "The Coronation" and is enclosed in a very attractive wrapper bearing the Crown, the Lion and the Unicorn. This advertising is handled by the James Fisher Co Ltd., Toronto.

* * *

Clare Bros. & Co. Ltd., Preston, Ont., are commencing a spring advertising schedule within a short time, featuring Hecla Furnaces. At first glance this advertising of furnaces seems unseasonable, although copy points out that the correct time to install new furnaces is before spring cleaning in homes gets under way, thereby eliminating a second cleaning at a later date. Copy also ties in with the advantages offered by the Home Improvement Plan. The campaign is directed by F. H. Hayhurst Co. Ltd., Toronto.

* * *

A new Rubberset Tooth Brush is now on the market with an unusually different type of handle, and gives the appearance of being very much more practical than the conventional style. This new feature will be played up in a new campaign starting in trade papers and later in newspapers. Advertising is being handled by Ronalds Advertising Agency Ltd., Toronto.

With the Legislators

Nova Scotia

Business—Gasoline price fixing legislation debated in committee. Oil companies ask for delay.

Labor—Trades Union bill recognizing rights of employees to organize passed third reading.

Apprenticeship bill providing regulations and standards for apprentices introduced in House. This bill is supplementary to the plan of Hon. Michael Dwyer to train unemployed youths in mining but extends also to other industries.

New Brunswick

The New Brunswick Legislature has prorogued. Among the bills passed during the session are the following:

Insurance—Bill to regulate the insurance business in the Province of New Bruswick patterned on legislation in force in Ontario and other provinces. Bill to authorize organization of mutual fire insurance companies and mutual benefit societies and to provide for their regulation.

Taxation—Corporations Tax amendment increasing tax on chain stores operated by companies the majority of whose stock is not held in the province. Bill enabling municipalities to exempt new building under the Home Improvement plan from taxation. The bill also extends the exemptions to projects not covered by H.I.P. loans.

Marketing—Bill to provide for regulation of marketing and grading of farm products in the province.

Transportation — Bill setting out standards and regulations for public carriers of freight and passengers on the highways.

Quebec

Social—Over the comment of Hon. Meredic Martin that it was a "move towards communism," the Upper House gave third reading to a bill providing pensions for needy mothers. To qualify under the legislation a mother must have at least two children. The bill encountered opposition in the Lower House.

Industry—Bill providing that natural resources of the province may be turned over only to companies incorporated in the Province of Quebec given third reading.

Taxation—Legislation to set up a commission of three to study provincial and municipal taxation announced. The plan threatens a year's hoist for the Montreal tax bill still to come before the House. The bill has been given third reading by the Lower House.

Legislation permitting municipalities to exempt home improvements made under the H.I.P. plan introduced.

Civil Rights—Amendment to the code of civil procedure given third reading. The amendment abolishes the $200 bond formerly required to guarantee costs of an action against the Government. The bill also extends jurisdiction on such cases to the superior court in any district instead of confining it to the district of Quebec City. The bill passed after a plea from Hon. T. D. Bouchard, opposition leader, for abolition of the petition of rights to the attorney-general now required by all applicants.

Manitoba

Taxation — Exemptions from 2% wage tax extended to give relief to an estimated number of 30,000 present tax payers included in budget. Exemptions for a single man are increased from $480 to $600. Exemption of $200 per child allowed.

Budget—Estimated revenue for next fiscal year, $14.2 millions. Estimated expenditure, $14.6 millions. Dominion subsidiaries expected to more than cover budget deficit of $472,775.

Insurance—Bill abolishing group automobile insurance introduced by private member.

Marketing—Resolution approved for milk marketing board.

Labor — Legislation to prevent strikes and lockouts until disputes have been submitted to a board of conciliation given second reading. The bill provides that where one other party in a labor dispute has applied to the attorney-general for the appointment of such a board, no employer shall declare or cause a lockout nor shall any employee go on strike pending the action of the board.

Saskatchewan

Sales Tax—Exemption of only necessary foodstuffs such as bread, milk, flour and of farm machinery announced as Government prepares new sales tax legislation. Mail order purchase made through houses outside the province may be taxed.

Building—Enabling legislation for exemption of home loan improvements extended to include repairs to apartment houses not exceeding $1,000 per apartment.

Business—Credit Unions Act given third reading.

Wheat Pool—Bill authorizing employment of wheat pool reserves in business other than grain handling passes committee, after amendments. These amendments limit the field to co-operative companies organized under the laws of Saskatchewan or incorporated by special act of the province or Dominion. It provides for the announced intention of the pool to engage in life insurance.

Corporation Tax—Increased schedule of taxation on chain stores, grain companies and telegraph companies announced.

Alberta

Business — Fuel oil licensing act given third reading.

Securities—A preliminary to a promised tightening up in Alberta's regulations covering sale of securities a bill to amend the Securities Act gives the Government blanket power to make, alter, amend or repeal regulations. Any conditions believed necessary may be placed on any registration of securities granted and securities may be placed in escrow under such terms as are deemed advisable. The Government is also given power to prohibit trading in any security at any time.

Debts—Bill reducing interest rate on Government and Government guaranteed securities given third reading. The bill replaces previous legislation outlawed by the courts. Other bills providing for a 50% reduction in private debts, also replacing former legislation, will be held over until the House reconvenes.

Social Credit—Alberta's new social credit bill providing a form of commission government for the province introduced. The bill calls for a commission of three men selected by a board of House members to formulate and administer social credit.

Labor—Bill prohibiting the collection of fees for placing anyone in employment given third reading. Discussion of the bill was coupled with announcement by Hon. Lucien Maynard that the Government is trying to place as many unemployed in the Turner Valley Oil field as possible.

Industry—Enabling legislation allowing municipalities to fix assessments on plant improvements for a maximum period of 20 years given third reading. Industrial Standards Act given third reading.

Quebec Seeks to Force Debts Conversion Plan

Bill Before Assembly Asks Power Rights—More Taxes

From Our Own Correspondent

QUEBEC.—Forcible conversion of all city of Quebec bonds on terms decreed by the city council; authority to build its own electricity plant or expropriate existing companies; authority to borrow money to consolidate deficits; and a series of additional taxes, features the city of Quebec Bill now before the Quebec Assembly.

The city seeks the right to redeem its bonds, with cash after 60 days from the last public notice. Bondholders would have option of taking cash or new bonds, the rate of which is left to the discretion of the council.

The city asks for power to establish its own electricity system, or expropriate any existing system for the lighting of its streets, parks, public places, municipal buildings and other public buildings and all other private property, for the heating of buildings, municipal and otherwise.

Authority is sought to tax fire insurance companies doing business in Quebec two-thirds of what the city pays for administration of the Fire Commissioners Service, but with a maximum of $4,000.

It is asked that workmen not residing in the city be taxed up to $10 a year and that there be also a personal tax of $2 on outsiders who may have employment in the city.

Use Sinking Fund

The Bill asked that the city may, between May 1 and November 1 each year, use its sinking fund as working capital, with consent of the Quebec Municipal Commission, but such amount may not exceed 50% of the ordinary revenue, and repayment must be made to the sinking fund if the taxes are gathered.

If the bill passes, anyone operating a bus service from outside to within the city will pay yearly $25 per bus. Trucks would be assessed at the same rate when the owner is not a resident of the city, except for bona fide farmers.

Other taxes proposed include a 2% levy on any person who does not live in the city but earns a wage in the city, a tax of $50 for an outsider who has a business office in Quebec; a charge of $10 a year on each motor vehicle carrying merchandise if the owner lives in the province and a rate of $15 for outsiders.

Chain stores would be taxed $500 a year for each sub-store under the proposal. A special tax of 75 cents per seat per person is asked of theatre owners.

The bill also asks that the city be relieved of payment to the province of the sum that the latter has exacted each year under the Public Charities Act. Further demands on the province include 50% of the motor vehicle licenses paid by residents of the city and a proportion of the gasoline tax.

By way of rounding out its taxation clauses the city asks that the Provincial Government shall pay the city $200,000 a year for embellishment work.

There are provisions to change the system of consolidating tax arrears and dealing with the expropriation of Quebec Power Co. should the company refuse the city's offer to buy. It is asked that the contract in 1933 between the company and the city be annulled.

The city wishes power to borrow up to $2,347,000 for various purposes, mostly to consolidate deficits. There is $750,000 wanted to consolidate all deficits established April 30, 1934; $286,000 for the Workmen's Dwelling deficit; $625,000 to repay the Provincial Government the balance of the loan made for construction of workmen's dwellings; $25,000 to defray the cost of enquiries made to establish the city's financial situation and reorganize the various services; $25,000 to reorganize the accounting system; and various other charges. The city asks that the loans necessary may be redeemable when the council wishes, and on conditions fixed by the council, the rate to be not more than 5% and the period not more than 30 years.

Dom. Foundries & Steel Rejects Foreign Orders

Dominion Foundries and Steel Ltd., Hamilton, has orders on file sufficient to keep its plant operating at production peak for six months, shareholders were informed at the annual meeting recently. The company, in fact, has refused orders from foreign countries to enable it to meet the requirements of the domestis market.

Officials reported that enquiries for steel had been received from Denmark; New Zealand, Great Britain, South Africa, Australia, Sweden and the West Indies.

New Income Tax Manual Valuable to Taxpayer

Among useful Canadian income tax reference manuals to appear recently is that compiled by Dominion Securities Corp. Ltd. which carries information relating to the latest income tax regulations, including schedules, examples of income tax returns, amounts of tax due and other material of practical value to those who are filing income tax returns in the next few weeks.

Maple Leaf Gardens Receives $155,000 Writ

A writ has been issued at Osgoode Hall, Toronto, by which the plaintiff, Thomson Brothers, Ltd., Toronto contractors, seeks $155,000 from Maple Leaf Gardens, Ltd. Interest at 5% is also asked on that sum from Nov. 11, 1931.

According to the writ, Thomson Brothers are claiming payment of a balance due for work done and materials supplied in connection with the erection of Maple Leaf Gardens.

Joint Committee Ruling

In an interpretative bulletin, the joint committee on definition and interpretation of underwriting powers has indicated that covering of merchandise against fire or other risks in permanent locations is not permitted under an inland transportation insurance policy.

The committee's finding arose from the fact that companies have been issuing inland transportation policies including the fire hazard on fruit and vegetable stocks while located in packing companies' own warehouses.

The Hydro-Electric Power Commission of Ontario

OPERATING AND INCOME ACCOUNTS FOR THE YEARS ENDED OCTOBER 31, 1935 AND 1936

	Year 1935-36	Year 1934-35	Increase or *Decrease*
OPERATING REVENUES	$30,237,498.93	$29,272,130.26	$ 965,368.67
OPERATING EXPENSES:			
Power Purchased	$ 4,043,078.75	$ 9,130,315.36	$ *5,087,236.61**
Operation, Maintenance and Administration Expenses	$ 6,296,217.15	$ 6,072,694.50	$ 223,522.65
Depreciation Provision for the year:—			
Principal Amount	2,188,204.89	2,185,805.99	2,398.90
Interest at 4% on Reserves' Balances	1,242,516.51	1,118,374.15	124,142.36
Total Provision	$ 3,430,721.40	$ 3,304,180.14	$ 126,541.26
Contingencies Provision for the year:—			
Principal Amount	776,295.61	266,898.51	509,397.10
Interest at 4% on Reserves' Balances	252,931.14	358,951.83	*106,020.69**
Total Provision	$ 1,029,226.75	$ 625,850.34	$ 403,376.41
Total Operating Expenses	$14,799,244.05	$19,133,040.34	$ *4,333,796.29**
NET OPERATING INCOME	$15,438,254.88	$10,139,089.92	$ 5,299,164.96
NON-OPERATING INCOME:			
Miscellaneous Interest Income	69,143.66	165,963.88	*96,820.22**
Income from Reserve Fund Investments	1,731,198.07	1,698,798.22	32,399.85
Income from Sinking Fund Investments	204,570.79	151,561.41	53,009.38
Interest During Construction	81,843.05	101,113.59	*19,270.54**
Miscellaneous Non-Operating Income	58,750.43	94,083.86	*35,333.43**
Contributions from Others	142,500.00	180,016.89	*37,516.89**
Interest and Dividends from Subsidiaries	129,995.11	137,629.66	*7,634.55**
Inter-System Interest Adjustments	128,115.93	78,978.34	49,137.59
Total Non-Operating Income	$ 2,546,117.04	$ 2,608,145.85	$ *62,028.81**
GROSS INCOME	$17,984,371.92	$12,747,235.77	$ 5,237,136.15
DEDUCTIONS FROM GROSS INCOME:—			
Interest on Long-Term Debt:—			
H.E.P.C. Debentures	2,983,361.50	2,729,414.40	253,947.10
Ontario Government Bonds, 1935	322,964.66	....	322,964.66
Ontario Government Bonds, 1936	8,494,847.84	9,166,262.53	*671,414.69**
Exchange and Commission:—			
H.E.P.C. Debentures	9,935.22	8,520.10	1,415.12
Ontario Government Bonds	100,851.58	31,094.95	69,756.63
Amortization of Debt Discount and Expense	26,554.94	14,660.40	11,894.54
Amortization of Premium on Debt	*47,570.47*†	*41,072.80*†	*6,497.67**
Miscellaneous Interest Deductions	147,831.12	77,530.40	70,300.72
Total Deductions from Gross Income	$12,038,776.39	$11,986,409.98	$ 52,366.41
NET INCOME	$ 5,945,595.53	$ 760,825.79	$ 5,184,769.74
DISPOSITION OF NET INCOME:—			
Sinking Fund Appropriation:—			
Principal Amount	2,562,331.66	2,414,170.58	148,161.08
Interest at 4% on Reserves' Balances	1,404,870.07	1,258,021.64	146,848.43
Total Appropriation	$ 3,967,201.73	$ 3,672,192.22	$ 295,009.51
Rate Stabilization Appropriation	$ 1,963,599.60	....	$ 1,963,599.60
Total Disposition of Net Income	$ 5,930,801.33	$ 3,672,192.22	$ 2,258,609.11
SURPLUS OR DEFICIT TO CONTINGENCY RESERVES	$ 14,794.20	$ *2,911,366.43*‡	$ 2,926,160.63

*Decrease. †Credit. ‡Deficit.

The Hydro-Electric Power Commission of Ontario

BALANCE SHEET AT OCTOBER 31, 1936

In which the following Properties are included:—

Niagara System · Georgian Bay System · Eastern Ontario System · Thunder Bay System · Local Distributing Systems · Rural Power Districts · Bonnechere River Storage · Service and Administrative Buildings and Equipment

ASSETS

INVESTMENTS:			
Fixed Assets in Service:—			
Niagara System	$214,701,358.23		
Georgian Bay System	9,428,078.21		
Eastern Ontario System	20,408,603.74		
Thunder Bay System	18,646,307.16		
Non-System Properties	177,071.46		
Service and Administrative Buildings and Equipment	3,104,154.23		
		266,465,573.03	
Fixed Assets under Construction		360,450.38	
Preliminary Expenditures:—			
St. Lawrence River Surveys—1925 to 1928	734,873.31		
Madawaska River Power Sites, Surveys and Plans—1929	850,000.00		
Other Surveys, Engineering and Undeveloped Power Sites	476,022.01		
		2,060,895.32	
Miscellaneous Investments:—			
Toronto-Pt. Credit-St. Catharines Radial Railways—Secured	1,905,002.00		
The Hamilton Street Railway Co.,—Capital Stock and Advances	3,083,818.42		
Investment Securities	2,385,124.00		
Sale Agreements and Mortgages	1,162,740.71		
		8,536,685.13	
			$277,423,603.86
CURRENT AND ACCRUED ASSETS:			
Cash in Banks		832,005.28	
Special Deposits for Matured Interest and Debentures Unpaid		104,405.85	
Sundry Accounts Receivable		173,533.94	
Power Accounts Receivable		3,538,797.39	
Interest Receivable		611,054.96	
Northern Ontario Properties		873,403.41	
Rural District Loans		90,909.21	
Consumers' and Contractors' Deposits:—			
Special Deposits	33,762.29		
Securities—at par value	496,100.00		
		529,862.29	
			$6,753,972.33
DEFERRED DEBITS:			
Rural Power Districts—Rates Suspense		336,825.23	
Maintenance Materials and Supplies		534,461.31	
Construction Materials and Supplies		671,455.45	
Construction and Maintenance Tools and Equipment		619,585.44	
Office Furniture and Equipment		56,073.21	
Prepayments		97,417.63	
Work in Progress—Water Heater Campaign		901,580.95	
Work in Progress—Deferred Work Orders		74,384.13	
Unamortized Debenture Discount		193,033.07	
Miscellaneous Deferred Debits		150,701.37	
			$ 3,635,517.79
SPECIAL FUNDS:			
Reserve Funds:—			
Investments	40,241,610.49		
*Amount Receivable from Current Assets—per Contra	181,987.13		
		40,423,597.62	
Employers' Liability Insurance Fund:—			
Investments	877,816.10		
Deposits with the Workmen's Compensation Board	41,383.80		
*Amount Receivable from Current Assets—per Contra	24,683.94		
		943,883.84	
Pension Fund:—			
Investments	4,535,143.50		
*Amount Receivable from Current Assets—per Contra	100,502.03		
		4,635,645.53	
Sinking Funds:—			
Investments	5,819,383.85		
Deposits in the Hands of Trustees	257,575.05		
Deposit with Provincial Treasurer	1,692,303.14		
*Amount Receivable from Current Assets—per Contra	37,968.88		
		7,807,230.92	
			$ 53,810,357.91
			$341,623,451.89

Approved by—A. MURRAY MCCRIMMON, *Secretary and Controller*.

Approved by—T. S. LYON, *Chairman*.

Approved by—A. W. ROEBUCK, *Commissioner*.

Approved by—T. B. MCQUESTEN, *Commissioner*.

LIABILITIES, RESERVES AND EQUITIES

GRANTS IN AID OF CONSTRUCTION:			
Province of Ontario—for Rural Power Districts			$ 10,232,093.73
LONG-TERM LIABILITIES:			
Funded Debt Issued or Assumed	$109,340,242.50		
Less:—Treasury Securities—pledged for Bank Loan	1,200,000.00		
Funded Debt in the Hands of the Public	108,140,242.50		
Less:—Hydro-Radial Debentures Assumed by the Sandwich, Windsor & Amherstburg Railway Co., and the Province of Ontario	5,816,205.00		
		$102,324,037.50	
Less:—Debentures Issued to finance Properties Operated for Others:—			
Northern Ontario Properties	22,626,950.00		
Guelph Radial Railway	300,000.00		
		22,926,950.00	
		$ 79,397,087.50	
Advances from the Province of Ontario	$164,049,412.49		
Less:—Advances for Northern Ontario Properties	7,168,053.63		
		156,881,358.86	
			$236,278,446.36
CURRENT AND ACCRUED LIABILITIES:			
Bank of Montreal—Demand Loan		500,000.00	
Accounts and Payrolls Payable	1,235,472.92		
Less:—Amount for Northern Ontario Properties	100,191.81		
		1,135,281.11	
Matured Debenture Interest Unpaid		98,350.85	
Matured Debentures Unpaid		6,055.00	
Debenture Interest Accrued		958,512.00	
Miscellaneous Accrued Liabilities		1,091,827.77	
Power Accounts Receivable—Credit Balances		27,538.95	
Advances from the Province of Ontario for Rural Loans		94,124.59	
Liability for Consumers' and Contractors' Deposits		550,115.78	
		$4,461,806.05	
*Liability to Special Funds—per Contras		345,141.98	
			$ 4,806,948.03
DEFERRED CREDITS:			
Rural Power Districts—Rates Suspense		$ 1,254,978.41	
Rural Power District Grants in Suspense		13,009.32	
Unamortized Premium on Debentures		251,356.73	
Miscellaneous Deferred Credits		184,578.49	
			$ 1,703,923.95
RESERVES:			
Depreciation and Obsolescence Reserves:—			
Additions to Property through Depreciation and Obsolescence Reserves	$ 2,897,385.97		
Depreciation and Obsolescence Reserve Funds	31,334,861.16		
		$ 34,232,247.13	
Contingency Reserves	7,059,602.68		
Stabilization of Rates Reserve	1,963,599.60		
Fire Insurance Reserve	65,534.18		
		9,088,736.46	
Employers' Liability Insurance Reserve		943,883.84	
Pension Fund Reserve		4,635,645.53	
Miscellaneous Reserves		612,569.52	
			$ 49,513,082.48
EQUITIES OF MUNICIPALITIES AND RURAL POWER DISTRICTS:			
Municipalities' and Rural Power Districts' Equities, being the accumulated contributions of Consumers, including interest accretions, for annual Sinking Fund Appropriations, represented by:—			
Funded Debt retired through Sinking Funds		$ 8,557,843.13	
Provincial Advances retired through Sinking Funds		22,723,879.24	
Sinking Funds		7,807,230.92	
			$ 39,088,953.29
			$341,623,451.89

AUDITORS' CERTIFICATE

We have examined the Books and Accounts of The Hydro-Electric Power Commission of the Province of Ontario for the year ended the 31st October, 1936, and report that, in conjunction with our Annual Report to the Lieutenant-Governor in Council, in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Commission's affairs at the 31st October, 1936, according to the best of our information and the explanations given to us and as shown by the books of the Commission. We have obtained all the information and explanations we have required.

Dated at Toronto, Ontario, 13th April, 1937.

OSCAR HUDSON AND CO., Chartered Accountants, Auditors.

Foreign Exchange

French francs dipped sharply on foreign exchange markets last week, displaying the most erratic trend since the international currency agreement was effected last fall. Futures have been irregular for some time and widened materially on the break in spot quotations.

The break is attributed largely to uncertainty as to political developments with uneasiness intensified by French support of the Loyalists in Spain. There has also been reaction accompanying introduction of new deal policies. Application of a 40-hour week has been made in respect to banks, stock exchanges and insurance companies, and extension of this feature to all industry, as is probable, may injure France's competitive trading position.

Sterling exchange strengthened toward the end of the week in terms of the American dollar, reflecting largely uncertainty in the United States. In addition to monetary influences, strikes and heavy Government expenditures have had their effect on exchange markets. On the other hand, strength in sterling is to some extent seasonal on commercial demand, and tourist traffic is beginning.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Apr. 5	Apr. 6	Apr. 7	Apr. 8	Apr. 9	Apr. 10
U. S. Dollar, High	[illegible]	.99 7/8	[illegible]	[illegible]	[illegible]	[illegible]
Low	.99 7/8	.99 7/8	.99 7/8	[illegible]	[illegible]	[illegible]
1936 High	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Low	1.00 3/8	1.00 3/8	[illegible]	[illegible]	1.00 3/8	[illegible]
U. K. pound	4.90 1/4	4.90	4.89 1/4	4.89 1/4	4.89 1/2	4.89 7/8
Australia	3.92 1/4	3.92 1/4	3.91 1/2	3.91 1/2	3.91 3/4	3.92
Austria	.1870 5/8	.1870 1/2	.1871 1/4	.1871 1/4	.1871 3/4	.1871 3/4
Belgium	.1683 1/2	.1683 1/2	.1633	.1682 1/2	.1682	.1683
Brazil	.0625	.0625	.0624	.0620	.0315	.0618
Czechoslovakia	.0348 3/4	.0348 3/4	.0348 3/4	.0348 3/4	.0349 1/4	.0349
Denmark	.2189 1/4	.2187 3/4	.2185	.2185	.2186 3/4	.2187 3/4
France	.0461	.0460 1/4	.0459	.0455 3/4	.0449 1/2	.0447 3/4
Germany	.4018	.4018	.4018 3/4	.4017 1/4	.4018 1/2	.4019 1/2
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5469 1/4	.5469 1/4	.5470 3/4	.5466 7/8	.5467 1/2	.5472
Hungary	.1972 1/2	.1972 1/2	.1973 1/4	.1973 1/4	.1973 3/4	.1973 3/4
India	.3702 3/8	.3707 1/4	.3704	.3700 1/2	.3704 3/4	.3704 3/4
Italy	.0525 1/2	.0525 1/2	.0525 3/4	.0525 3/4	.0526	.0526
Japan	.2856 1/2	.2860 1/2	.2855 1/4	.2853 1/4	.2851 1/4	.2854 1/4
Jugoslavia	.0233 3/4	.0233 3/4	.0234 3/4	.0233 3/4	.0233 3/4	.0233 3/4
New Zealand	3.95 1/4	3.95 1/4	3.94 1/2	3.94 1/2	3.94 3/4	3.95
Norway	.2473	.2463 1/2	.2459 1/4	.2458 1/4	.2460 1/2	.2462 1/2
Poland	.1896	.1896	.1899	.1899	.1900	.1899
South Africa	4.89 1/4	4.89	[illegible]	[illegible]	4.88 1/2	4.88 7/8
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	.2524 1/2	.2526 1/2
Switzerland	.2280 3/4	.2279 1/4	.2276 1/4	.2272 7/8	.2272 1/2	.2273 1/2
Hong Kong	.3041 1/4	.3043 1/4	.3047 1/4	.3046 1/4	.3042	.3046

Builder of Businesses

Nathan Cummings, 41-year-old McCormick President, Has Made Three Fortunes and Lost Two

By A. D. ELLWOOD

Builder of three fortunes and loser of two, Nathan Cummings, president of McCormick's Ltd., is still 30 years away from his three score and ten. These downs and ups have convinced him that it is more difficult to hold money than it is to make it. Investing his money that it may be preserved has been the greater source of worry to him and right now is a pressing personal problem.

Most of his life has been spent in the shoe business, first as a retailer and wholesaler, later as a manufacturer and finally an importer. In going through these changes he has managed to make and lose two of the fortunes. Now he is head of one of Canada's leading biscuit and confectionery firms and again a wealthy man. He has now disposed of all his other interests and, at least until 1942, intends to devote all his energies to McCormick's Ltd.

Shifts to Biscuits

From footwear, it seems a big jump to biscuits. The sequence of events by which Nathan Cummings made the leap started in July, 1934.

The British Empire Trade Agreements of 1932 had given him an opportunity to recover from depression adversities. Recovery came in a deal whereby from a firm of British and Chinese shoe manufacturers in Singapore, Nathan Cummings and his partner, Oscar Dufresne, in 1932 imported one million pair of rubber footwear which he sold at a good profit in 1933. Encouraged by the success of this venture, Mr. Cummings prepared to sail for Europe to negotiate for further imports of footwear in July, 1934.

A few days before he was to sail he was approached by a representative of McDonald, Currie & Co., the firm which did the auditing for his companies, and asked if he would be interested in getting into the biscuit business in Canada. Mr. Cummings replied that he knew nothing whatever about it, but was persuaded to look over a report which McDonald, Currie & Co. had prepared on Canada Biscuit Co., as McCormick's Ltd. was then called. His first impression was that any company that could come through the difficulties that Canada Biscuit had suffered and still be alive must have something that was worth saving.

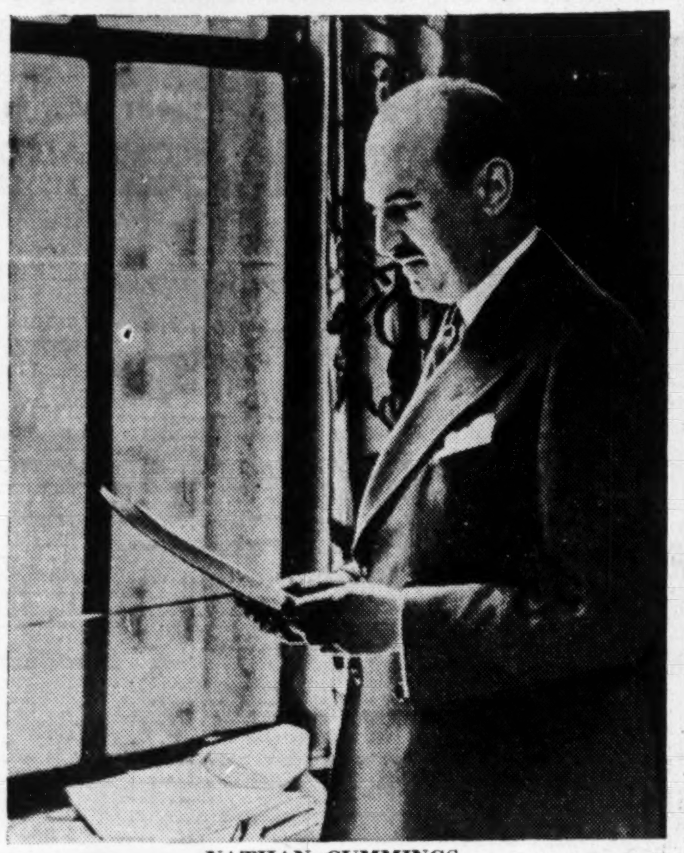
His trip to Europe aside for the moment, Mr. Cummings started his biscuit negotiations on a Thursday. He looked over the McDonald, Currie report and the Montreal plant, which he found in an almost hopeless condition. A week later he visited the London, Ont., plant, and on a Saturday, just nine days after this deal was first suggested, he bought control of Canada Biscuit Co. The following Tuesday he sailed for Europe. He returned with 800,000 pair of Czechoslovakian rubber footwear, again marketed them at a profit, and turned his back on the shoe business.

At first vice-president of Canada Biscuit Co., and in 1937 elected president of the reorganized McCormick's Ltd., Nathan Cummings has been in active charge of the company since 1934. About two weeks ago he joined forces with George Weston Ltd., forming the largest biscuit firm in Canada. Mr. Cummings has sold his stock in McCormick's to George Weston Ltd., but, until 1942, remains as president of McCormick's, which is to be operated separately.

A Personnel Problem

His survey of Canada Biscuit Co. had convinced Mr. Cummings that the company's chief problem was the weakened morale of the personnel. Reorganizations and long years of financial difficulty had left the company staffed by men who were discouraged and haunted by the fear of losing their positions.

The first job was to encourage these employees and supply them with an incentive to work. His method of tackling the problem illustrates his views of big business. He believes that the trend for Canadian business is in the direction of co-operative management. The day is almost past, he says, when one man can dominate a large organization and compel those under him to serve through fear of losing their jobs. Although he says he has never had time for vacations himself, he favors holidays with pay and reasonable hours, in the belief that each man has definite limits to what he can accomplish and still remain efficient.



NATHAN CUMMINGS

Example of Co-operation

In McCormick's, the committee form of control is used. The operations committee, for instance, may consist of Mr. Cummings, the sales manager and the plant manager. Problems affecting the business as a whole are discussed by this committee and each man feels that he has had a part in arriving at a policy. Similar committees act for other sections of the business.

Nathan Cummings believes that men already in the organization should have the first opportunity to handle the larger positions that may be opened. For that reason he follows a policy of training and developing men with the idea that most promotions will be from within the organization itself.

McCormick's made its first income tax payment to the Dominion for ten years in 1936. Steps taken by the Cummings régime have done much to bring this indication of improvement in the company's fortunes. Operations have been concentrated in the most efficient plants. The Montreal plant has been closed and North West Biscuit Co., Edmonton, and J. A. Marven, Ltd., Moncton, sold.

Mr. Cummings has also been quick to take advantage of modern advertising methods. Exclusive Dionne quintuplet endorsation for biscuits throughout the world is held by the company. The rights in the United States have been sold to Loose-Wiles Biscuit Co., while in the British Empire, excluding Canada, Peak Frean have bought the rights.

Personalizing McCormick's

A firm believer in advertising and the value of appealing to the eye in selling, Nathan Cummings has aimed his programme at re-establishing the company in the public estimation and making the company and its products something personal to the consumer.

Another personalized method initiated in McCormick's by the Cummings management was the McCormick Service Corps. These were groups of girls trained to introduce new products, get dealers' complaints or suggestions and generally obtain the views of the dealer as they would be expressed to women rather than to the company's salesmen. These groups travel by automobile across Canada, as a kind of informal dealer service, but do no direct selling.

To bring McCormick's to the stage where bondholders will get their interest regularly and shareholders will receive dividends is Mr. Cummings aim. Beyond this he will not commit himself but from his story it appears that his first concern is going to be to sell biscuits and confectionery at a profit.

A Native Maritimer

Nathan Cummings was born in Saint John, N.B., on Oct. 13, 1896, and spent most of his boyhood there. His schooling did not extend beyond public school. Mr. Cummings intends that his three children shall have the educational opportunities that he was denied.

His father, who was a shoe retailer, sent the 14-year old Nathan to New York to study advertising and window dressing. He worked in his spare time in a shoe store to help pay his expenses while in New York, and, on finishing his course, obtained a job as a window dresser in a New York shoe store. Young Nathan's new job had to be done at nights and he was unable to adjust himself to working at nights and sleeping during the daytime, so he only stayed at this job for a week.

A year after his return, at the age of 16, he was given a partnership in his father's firm, receiving a 16 2/3% interest in the business.

Later, Nathan accompanied his father to Montreal where they continued in the shoe business. In 1911 Nathan Cummings became a travelling salesman. A large part of his life, in fact, has been spent on the road and for over 20 years Mr. Cummings has been a member of the Dominion Commercial Travellers Association. No salesmen in his organization can come to him and say that he does not know their problems.

His First Fortune Made and Lost

Mr. Cummings started his own shoe store in Montreal in 1913 and from that went into the business of wholesaling. Although he became a wealthy man through this, Mr. Cummings was soon convinced that the wholesaler was losing his position in the shoe trade and made another change, although still sticking to the shoe business. His first real wealth had come and gone.

The next step was to go to work for a shoe manufacturer and in his first year at this job he lost $3,000 of his own money. In the second year, however, he made $40,000 in commissions, bonuses and salary.

Cummings Becomes a Manufacturer

Mr. Cummings started to manufacture shoes on his own account as the Nathan Cummings Shoe Co. in 1926 and from then his progress was rapid. The Arrow Shoe Co. was bought in 1926 and liquidated the same year at a substantial profit. J. & T. Bell Shoe Co., manufacturers of shoes in Canada for 100 years, was bought by the ambitious Mr. Cummings in 1928 and its business combined with that of the Nathan Cummings Shoe Co., under which name it was continued.

Further expansion took place in 1930 when the MacFarlane Shoe Co. was bought. Mr. Cummings still carries the cheque (cancelled, of course) for $75,000 which he gave in payment for this company.

His Second Fortune is Lost

Everything went well until 1931 when the depression hit the shoe business and in 1932 heavy losses made it doubtful if the Nathan Cummings Shoe Co. could carry on. The late Oscar Dufresne was Mr. Cumming's landlord at this time and he was forced to go to Mr. Dufresne for assistance.

Out of this visit came a partnership which was to result in a third fortune for Nathan Cummings. With Mr. Dufresne's assistance he launched his importing venture and brought success out of failure. Early in 1935 Mr. Cummings and his associates, including Oscar Dufresne, formed the British Rubber Co. of Canada to manufacture rubber footwear in Montreal.

Mr. Cummings says he has been too busy to indulge in sports or hobbies but that he hopes soon to be able to revive an old interest in horseback riding. He has lived in Montreal for 26 years and is a member of several clubs. He now plans to move to Toronto as a more central point from which to direct the Dominion-wide operations of McCormick's. He has disposed of all his other interests with the exception of some Montreal real estate and, under the terms of his contract with McCormick's, must remain with the company as president until

Growing Industries and The Investor

IN the selection of investments—particularly equity investments—the growth factor is of prime importance. Does an industry or corporation hold possibilities of future growth? Or is it at or near its maximum development right now?

In periods of rising prices and expanding markets, almost any well-managed business shows some promise of immediate growth. The careful investor, however, looks for more than that. He seeks long term—as well as short term—growth possibilities.

The growth factor, like every other factor entering into successful investment management, does not remain constant. It is forever varying as conditions change and new trends make their presence felt.

An important part of our services as Investment Counsel consists of continuous study bearing on changes in the growth factor in industries and corporations in which the funds of our clients are invested.

We will be glad to send you a copy of our booklet: "The Management of Your Investments".

HODGSON, ROBERTON & COMPANY
Investment Counsel
437 ST. JAMES ST., WEST, MONTREAL

Report Rejects Alberta Claim For Assisiance

Repudiation Policy is Scored By Bank of Canada

DEPLETES RESOURCES

Because saving from the reduction of interest on its bonds has eased its budget problem the province of Alberta will not receive temporary assistance from the Dominion Government.

Saskatchewan and Manitoba, on the other hand, are receiving temporary subsidies of $1.5 million and $750,000 respectively as a result of the recommendations made by the Bank of Canada following an investigation in the financial affairs of the Prairie Provinces.

In some respects the bank's report on Alberta's financial position is similar to that of the bondholders' committee in that it finds that the province could have continued to service its debt in full if it had borrowed its total relief requirements from the Dominion Government as have Saskatchewan and Manitoba. The report states that "the reduction in interest payments by the province resulted in less borrowing from the Dominion for relief, and permitted some reduction in outstanding debt, but was not necessary to meet the total current and capital expenditures including payment of interest at the full rate."

Debarred by Interest Reduction

If a reduction in bond interest had not been made by the province then it is probable that the bank would have recommended assistance from the Dominion, the report indicates. In this connection it is pointed out that if Alberta were now paying full interest, the province in 1937-38 would presumably have to borrow its full share of unemployment relief from the Dominion Government, and on the basis of budgetary estimates would have a cash shortage of about $600,000. In other words its position would have been a little worse than that of Manitoba, but distinctly better than Saskatchewan.

Scores Repudiation

The bank states that, leaving moral and legal reasons for the fulfillment of contracts entirely aside, self-interest alone should have induced Alberta to fulfill its contractual liabilities.

Alberta's financial problems are deep-seated, being to a large extent due to unbalanced budgets and wasteful expenditure in the period from 1905 to 1922, and to guarantees given to telephone systems, railways and irrigation districts. Another important factor has been the failure of the province to balance its budget and reduce its debt in even the prosperous years 1925 to 1930.

Alberta entered the depression in a less favorable position than did either Manitoba or Saskatchewan, but it is noted that the depression did not affect it as seriously as it did the other Prairie Provinces.

Summary of 1936-37 operations and of the 1937-38 budget indicates that the province has depleted its cash resources and is borrowing from investment and superannuation funds for its current needs.

Summary For 1936-37

	$
Ordinary surplus	2,400,000
Add: Inc. from sale of invests.	900,000
Loan from superannuation and sinking funds	600,000
Cash balances	1,700,000
Dom. loan for relief	1,000,000
Available funds	6,600,000
Less: Accrued int. paid	800,000
Capital expenditures	1,300,000
Relief costs	2,900,000
Bonds and saving certif. red.	1,600,000
Balance	nil

Summary For 1937-38 Estimates

	$
Ordinary surplus	3,900,000
Loan from superannuation fund	400,000
Available funds	4,300,000
Less: Capital expenditures	1,700,000
Relief costs	2,600,000
Certificates to be redeemed	1,200,000
Deficit to be financed	1,200,000

Duplessis Plans Chain Store Tax

Hopes to Eliminate Abuses in Quebec Province

From Our Own Correspondent

QUEBEC.—Legislation, province-wide in scope, is being considered to govern chain stores in Quebec, according to Premier Duplessis. It is uncertain whether this will be presented at the present session of the Legislature.

"The problem," said the Premier, "is a complicated one. There have been abuses, and unjust competition for small industries. But we need a law which will not bring about injustices, and especially avoid victimizing the consumer."

Mr. Duplessis hoped that the bill would prevent big chain stores from evading the law. He said big corporations have already thought of a way to avoid payment of the taxes which are sought by incorporating each store as a separate company. The present Government has repealed the tax exemptions which the former Government granted Dominion Stores, Stop and Shop, and other firms.

Montreal Power Output Expands

Sales Are Higher, But Gas Division Reports Decrease

From Our Own Correspondent

Montreal.—Montreal Light Heat and Power Cons. reports electricity output for consumption in the Montreal area during March, exclusive of secondary and export power, of 100.7 million kw.h. This contrasts with 93.7 million kw.h. a year, an increase of 7.46%.

Production of electricity for the first quarter totalled 291.5 million kw.h., as against 284.8 million kw.h. in 1936, a gain of 2.34%.

Montreal Power's gas output for March was 434.8 million cubic feet, compared with 445.7 million cubic feet a year ago, a decline of 2.45%.

Comparative ouput of gas for the first quarter of 1937 and 1936 was 1,240 million cubic feet against 1,296 million cubic feet, a decline of

Money isn't "frozen" any more. People are working again...earning again... spending again!

Homes are being built, modernized, refurnished. Smart, up-to-date clothes are being bought again. Housewives are once more buying better quality foods, little luxuries and delicacies.

And where are they shopping for these things? In the Local Daily, of course... the recognized buying guide for every community.

When money is to be spent it is the advertising in the Local Dailies that is studied. That's why they are a necessity for successful advertising plans. Add them to your list today.

ONTARIO PROVINCIAL DAILIES

Brantford Expositor
Brockville Recorder
Galt Reporter
Kingston Whig-Standard
Kitchener Record
Niagara Falls Review
Oshawa Times
Owen Sound Sun Times
Peterborough Examiner
St. Catharines Standard
St. Thomas Times-Journal
Sarnia Canadian Observer
Stratford Beacon-Herald
Timmins Press
Welland-Port Colborne Tribune
Woodstock Sentinel-Review
Belleville Ontario Intelligencer

C.N.R. Rail Employees Secure Wages Revision

From Our Own Correspondent

MONTREAL.—Members of the Canadian Brotherhood of Railway Employees, all of whom are employees of Canadian National Railways, will have their basic wage rate restored by April, 1938, if the unanimous recommendation of the Board of Conciliation is accepted by the company.

In effect the recommendation calls for the same terms as were agreed upon by the Canadian National and Canadian Pacific Railways and recent negotiations with the running trade. The 10% reduction in the basic wage rates would be completely restored by degrees over a period of one year.

Sodium Sulphate

The natural sodium sulphate industry is growing rapidly in Saskatchewan, the production having risen from 6,592 short tons in 1929 to 72,000 tons in 1936—a new high record. Sodium sulphate or "salt cake" is essential to the manufacture of kraft paper and in the smelting of nickel-copper ores and is used extensively in both industries.

Lake Sulphite Pulp Company Limited

150,000

No Par Value Common Shares

Lake Sulphite Pulp Company Limited has been incorporated under the laws of the Province of Ontario for the purpose of manufacturing high-grade bleached sulphite pulp, and is proceeding with the immediate construction of a bleached sulphite pulp mill at Nipigon, Ontario, which will have an initial capacity of 200 tons per day (60,000 tons per annum).

CAPITALIZATION

	Authorized	To be outstanding
Twenty-Year First Mortgage Bonds	$5,000,000	$3,000,000†
Shares of No Par Value	300,000 shs.*	150,007 shs.

†5½% Twenty-Year First Mortgage Convertible Bonds Series A convertible into fully paid shares of the Company at the rate of two shares for each $100 principal amount of bonds.

*of which 50,000 shares are reserved for the exercise of option warrants and up to 60,000 shares will be reserved for conversion of the convertible bonds of Series A.

The Series A Convertible Bonds to be presently outstanding and 150,000 shares have been underwritten and agreed to be purchased by R. O. Sweezey & Company Limited to net the Company $6,060,000.

The Company has granted to R. O. Sweezey & Company Limited, its nominees or assigns, the right to purchase up to 50,000 shares at $25 per share at any time prior to March 1st, 1942, and has agreed to issue option warrants evidencing such right.

The majority of the shares to be presently outstanding have already been sold privately. We offer the balance subject to allotment when, as and if accepted and received by us, and subject to approval of legal proceedings relating to the organization of the Company and the issuance of the said shares by Messrs. Fraser & Beatty on behalf of the underuriters and as to all other matters by Messrs. Smith, Rae, Greer & Cartwright, on behalf of the Company, who have furnished to the underwriters a favorable opinion as to the terms and validity of the Company's agreement with the Ontario government.

Price: $26.50 per share

It is expected that interim share certificates will be ready for delivery on or about April 14th, 1937.

R. O. Sweezey & Company
Limited

Hanson Bros.
Incorporated

McLeod, Young, Weir & Co.,
Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein made to be true.

THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

Vol. XXXI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, APRIL 17, 1937 | 10c a Copy; $5.00 a Year | No. 16

U. S. TRIES BOOM CONTROL

Washington Suffering From Recovery Jitters

Programme Designed to Prevent Whirlwind of Inflation Has Important Canadian Implications —Inflation in Britain Being Watched

By FLOYD S. CHALMERS

Editor, The Financial Post

WASHINGTON.—A country that sows seeds of reflation must expect to reap the whirlwind of inflation. This fact is beginning to sink in very deeply in Washington.

Theoretically a country that "manages" its economy into a condition of prosperity ought to be able to continue to manage that prosperity when it gets it. The difficulty is that inflationary moves are politically popular. Deflationary moves are disliked by political leaders because they are hard to "sell" to the public.

F. S. CHALMERS

But the United States is afraid of inflation. That is to say, the administration and leaders of the business are. The general public is little worried. The fear that an inflationary boom must inevitably be followed by depression is a fear of the higher-ups but with them it has become an obsession. Hence Washington's major topic today is boom control.

Marriner S. Eccles, chairman of the Federal Reserve Board, has put it this way:

"The time to prepare for floods and droughts is when there are no floods and droughts. Similarly, the time to prepare for economic disasters is when things are going smoothly.

"Recovery is under way, but if it were permitted to become a runaway boom it would be followed by another disastrous crash."

That explains why the United States is suffering from the recovery jitters. It is a plain case of nervous prosperity.

Holding the view that the way to avoid a crash is to keep recovery moving ahead slowly and at an even pace, Washington is determined that price inflation shall not get out of control. Hence the president's statement on prices; hence the recent rumors about a cut in the price of gold.

Satisfactory Setback

WASHINGTON views with some satisfaction the recent decline that occurred in important commodity prices following the president's observation that some prices were getting out of hand. Washington would not admit it but it is pleased by the setback the stock markets had last week. Washington denied that it was going to touch the price of gold but Washington was happy about the deflationary effect that the mere discussion of the subject had.

In brief, Washington has had a sample of business control by White House propaganda and feels that the results are salutary. The administration would like to experiment some more but it is not yet prepared to pay the political price of an integrated programme of recovery control.

The significance of the president's recent comment that steel and copper prices seemed to be higher than justified is that it is the first presidential utterance of this character in ten years. Since long before Roosevelt came into power, the White House has been insisting that prices were too low. Every time prices have shown some indication of declining, the president (whether Coolidge, Hoover or Roosevelt) has come out with a statement designed to give them a lift. And during the New Deal regime to date, countless measures designed to arrest the tide of price decline and reverse were put into operation. Now the White House is on the side of "boom control"; it wants prices to rise more slowly and some prices not to rise at all.

Last week I discussed this subject of boom control with high ranking authorities in governmental departments, chiefly the Federal Reserve Board and the Treasury. I also discussed it with Mr. Roosevelt.

Most Canadian newspaper editors coming to Washington attend one of the president's press conferences. I have been at a dozen or so of them under Coolidge, Hoover and Roosevelt. After the conference I attended last week the State Department official, who accompanied me to pass me by the serried ranks of presidential secretaries and secret service men, introduced me to the president.

White House Stand

THERE is a rule concerning such interviews that the president is not to be quoted — a rule I intend to respect — but in our discussion we got around to the question of the C.I.O. in Canada, the strike at General Motors, the challenge of Premier Hepburn to John L. Lewis, the cost of construction, the price of gold, and the control of the boom which the president now freely admits is one of the most important problems of the administration.

Washington is not afraid of a steady recovery movement; in fact it seeks continuance of recovery. What it dislikes is the present uneven recovery which presents such anomalies as a shortage of skilled labor and eight million unemployed; a pressing need for new construction and high prices for steel, cement, etc.; a tremendous increase in private spending with little or no diminution in the demand for public spending.

The rapid rise in key commodities and the taxing of plant capacity in the durable goods field have caused alarm.

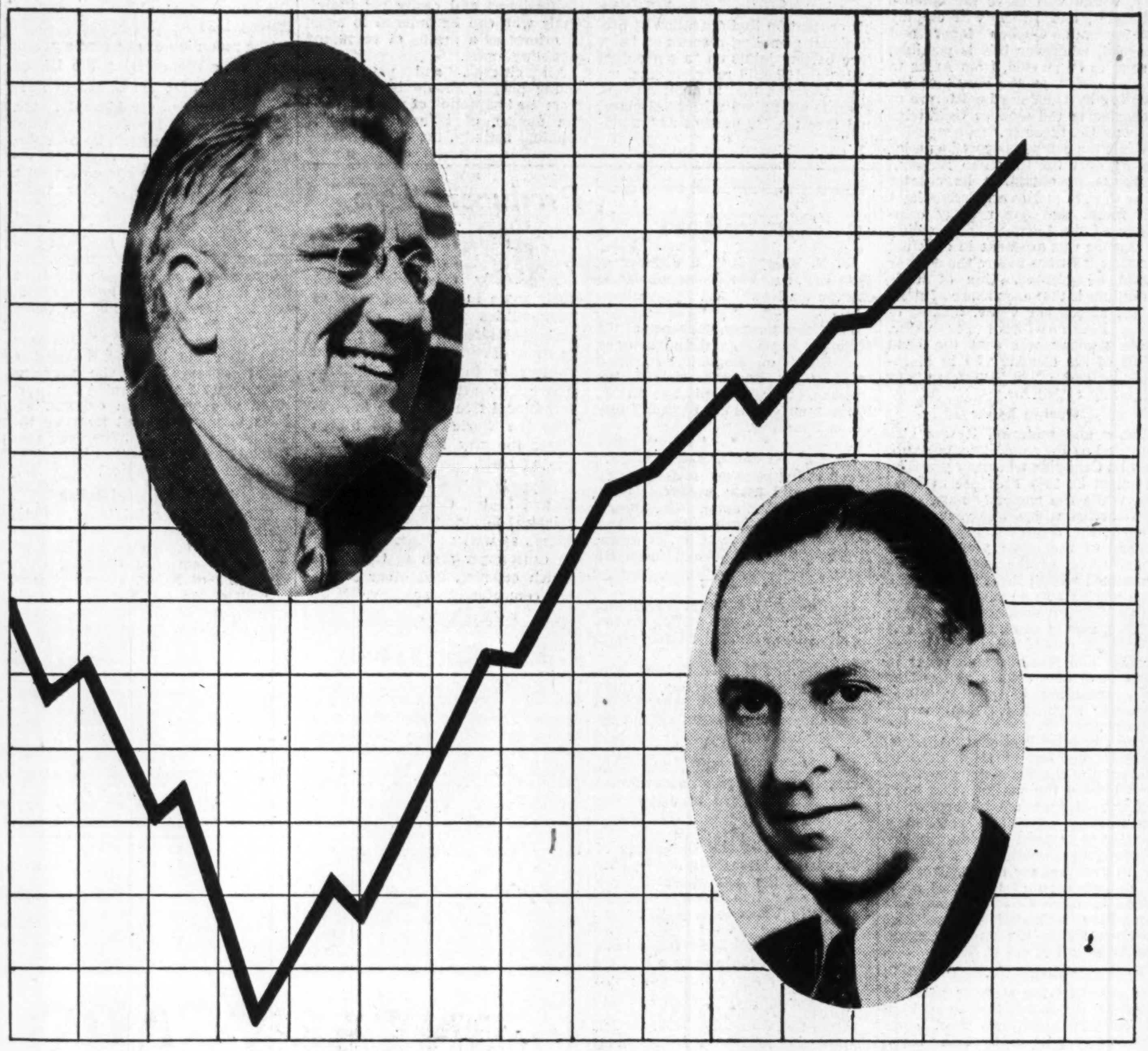
The danger is three-fold. First, the price shows up in those commodities that enter into construction and other industries capable of re-employing the unemployed. With the construction industry still lagging, with only a minor attack upon the huge deficit in home-building, excessive price advances in steel and similar heavy goods threaten recovery at its weakest point.

Second, it leads to forward and speculative buying which in turn puts the heavy industries under the necessity of bringing into play their marginally efficient plants and makes further price rises in finished goods unavoidable if industry is not to have a period of profitless prosperity.

Third, it makes the problem of balancing the budget particularly difficult because of the increased cost of carrying out government projects.

The president has expressed the opinion that the government will not hesitate to divert its spending from capital goods to consumption goods if necessary, but there is much doubt expressed here by other authorities as to whether it will be easily possible for him to make such a shift

The president has done very little about the question of rising wages and labor troubles which have contributed as much to disturbing the recovery movement and increasing prices as speculation and forward buying. Political considerations enter into the boom



FRANKLIN D. ROOSEVELT

MARRINER S. ECCLES

Can They Control a Boom?

control programme here. Political considerations are ever strong at Washington.

Boom Control

WHAT is boom control?

Having decided, if possible, to keep recovery on an even keel, how does Washington propose to accomplish its objectives? What tools of economic control are there available?

In theory, the country has all the control measures any superplanner could ask. Practically, it has only a limited number that can be effectively used in a nation where the great mass of the people are yet economically untutored.

In looking for control measures one must turn to the published statements of Marriner S. Eccles, who has been most definite in describing them. But in quoting Mr. Eccles it should be made clear that Mr. Eccles is a trifle academic, as befits a central banker who knows more about economics than the man on the street. The existence of a well devised tool of economic control does not mean that it is going to be effectively used for the simple reason that even economic planners are forcibly reminded from time to time, in a democratic country, that there are elections to be won as well as an economy to be managed.

When Mr. Eccles came to Washington, as head of the nation's central banking system, he held the view that the government, through its control of three instruments, could restore prosperity and having restored it, keep it on an even keel. These three instruments were government spending which could be expanded and contracted to take up the slack in private spending; taxation, which could be adjusted to the needs of any situation; and credit control —the expansion and contraction of the money in the country.

Mr. Eccles has discovered that all three can be and are subject to political influence. His recent statement in Fortune magazine ignored the factor of politics entirely. For that reason it must be discounted as presenting a pattern of the policies the United States will pursue in coming months.

Admirable in theory, it must be written down as a practical programme for the reason that the best laid plans of any high ranking official, even those of the chairman of the Federal Reserve Board and those of the secretary of the treasury, may be upset at the whim of the president.

It is an old rule in Washington that it is possible to get anybody's views about anything and forecast what anybody is likely to say or do except in the case of the president. Mr. Roosevelt is a law unto himself. He is bound by no one else's statements and it is difficult to discern those continuing principles in his economic and monetary policies that have been such a marked feature of his efforts to achieve social justice for the people.

Eccles Programme

WITH these reservations, we may study Mr. Eccles's programme for boom control. Reference should be made at the start to those measures that have been in operation for some time.

First come the measures taken to curtail the excess reserves of the banking system. By selling government bonds to the banks and creating the money with which the banks bought them, the country, in the darkest days of depression, supplied the banks with such enormous quantities of cash that a huge inflationary structure could be built upon it. To undo the possible evil of this, the federal reserve has increased the reserve requirements of the banks in two operations. May 1 will see the programme completed, by which time the excess reserves of the banks will have been reduced to $500 millions from a figure of around $3,500 millions. Even with the reduced reserves the volume of money in the country would be sufficient to support a national income of $90 billions a year, or considerably more than is in prospect.

Mr. Eccles does not seem worried about the $500 millions of excess cash the banks will have after May 1. He feels it will be taken up one way and another during the current year. Other authorities do worry a bit about it because the $500 million of excess reserves are capable of being multiplied into $3 billions of deposits. Thus there is still a margin of possible inflation in the banking system.

The significance of the wiping out of excess reserves, by increasing reserve requirements, is that a situation will be created whereby it will be possible for the Federal Reserve Board to carry on effective open market operations. There is no point in increasing or decreasing member bank reserves as an instrument of economic control when the reserves are already far in excess of requirements. When the excess reserves disappear, each managed change in the cash position of the banks should have a direct effect of an inflationary or deflationary character. The Federal Reserve Board then returns to its function as monetary regulator of the nation.

Gold Sterilization

THE second of the control measures has been the sterilization of excessive imports of gold. Formerly these gold stocks found their way into the basis upon which the country's monetary structure is built. It is not necessary to detail the technical manoeuvre by which gold has been sterilized but that it has been sterilized, and effectively so, is admitted. Thus the country is in the position of buying gold from all comers, paying a high price for it, selling goods and securities to foreigners in exchange for it, and getting nothing but yellow metal of no immediate value whatsoever to the country—an anomaly which the administration worries about much less than the country's banking authorities do.

A third measure of control has been fixing minimum margins for stock market speculation. Margin requirements are now 55%, and there is no suggestion of increasing them despite the frowned-upon boom in Wall Street. All Mr. Eccles wants to do with Wall Street now is to drive foreign money out of it.

All of these measures of economic control have been operating. Largely monetary in character, they require to be supported by non-monetary controls if they are to be effective.

One such measure is control of the budget. Mr. Eccles was quite willing to have the budget out of balance when there were millions of unemployed. He says: "I have advocated heavy government expenditures during the depression and I advocate debt retirement now that the recovery is definitely under way."

Debts and Inflation

THE United States budget position is this, told very briefly. At the beginning of the year there was every indication that the cash budget would be balanced in 1937-1938. But the president has done little to curtail relief spending. His revenues have increased but his expenditures have increased more. Unless steps are taken practically at once to slow down the big-spending political machinery that is pouring out purchasing power all over the country in the name of relief, the treasury will be faced, during the coming year, with the necessity of borrowing more money rather than having the chance of reducing debt. In doing so it will at the same time increase the inflationary volume of government bonds in the banking system. Mr. Eccles may talk all he likes about the necessity of balancing the budget but the decision will be made by the president and when it is made it may be made on political grounds. It is easier to add millions of people to the government payrolls than to take them off by millions.

A further measure of control that is available is in the field of foreign exchange policy. It was while discussing this that Mr. Eccles said that "lowering the price of gold, or a relative fall in other currencies, might offer a possible means of checking excessive expansion at home." This statement started off the recent rumors about a cut in the price of gold. The president said at his press conference that he did not know where this rumor started. It must have started in the foreign press, he said. Apparently no one had shown him Mr. Eccles's statement.

That there is no immediate threat of a cut in the gold price seems to have been effectively established by recent official and semi-official statements in Washington. But that focusses attention upon the alternative suggested by Mr. Eccles, "a relative fall in other currencies."

Here is a subject that is indeed of keen interest to every Canadian business man.

Washington considers that the British rearmament boom is inflationary. In consequence, Washington is looking forward to an ultimate decline in the exchange value of the pound. At any previous time, such a development would have caused no little concern at Washington, as something likely to give the British a relative advantage in world trade, particularly in those South American and Canadian markets that the United States has so assiduously cultivated.

But at the present time a depreciated pound would serve Washington's purposes admirably. It would stem the flow of British money into United States investment markets; it would have a somewhat deflationary effect at home; and it would enable the domestic inflation to be more easily controlled. At both the Federal Reserve headquarters and the Treasury I was told that Washington would not attempt to counter any depreciation of the pound if it came.

The significance to Canada of such a possible development lies in the fact that we sell—oversimplifying it—our exports in British pounds and pay our bills in United States dollars. When the pound is at a discount and the dollar is at a premium Canada is ground between the upper and nether millstone, as we were in 1932. Such a line up in foreign exchange markets would probably find Canada

(Continued on page 14)

$35 Gold To Stay

Best Opinion in Washington Says No Tinkering Expected in Foreseeable Future— Maintain Monetary Balance

By FLOYD S. CHALMERS

WASHINGTON.—It is apparent that there is little chance of any early change in the price which the United States Treasury pays for gold in the open market.

Recently the chairman of the Federal Reserve Board, Marriner S. Eccles, expressed the opinion that it would have been better had the United States not fixed the price of gold; if it had left itself free to vary the price from time to time. This would have left the administration with one more tool for controlling the nation's economy. A reduction in the price from $35 an ounce would have had a deflationary effect and helped to provide a measure of restraint for galloping stock markets and commodity markets.

Mr. Eccles's statement gave rise to a definite rumor that the United States was going to reduce the price almost at once. And there is some reason to believe that had Mr. Eccles had his way he would have prevailed upon the president and the treasury to have lowered the price in the near future. Just how disturbing this would have been to the financial markets — and particularly to the Canadian gold shares market — can be realized when one reviews the havoc wrought in a few days by the circulation of the rumor.

No Tinkering Now

I have discussed this question with the highest authorities in Washington, including higher-ups in the Federal Reserve Board and in the Treasury, whose names cannot be quoted. And from all sources I receive confirmation of the view that whatever Mr. Eccles may have said a few weeks ago, the United States will not tinker with the price of gold in the foreseeable future.

Mr. Eccles's statement brought a flood of protests and comments from other countries. Very much a nationalist, he was thinking only in terms of adding to his kit of tools for the control of the American domestic economy another one that might at some time prove its usefulness.

Factors Overlooked

One thing he left out of his calculations was the fact that a change in the price of gold would be a serious breach of the "good neighbor" policy of the administration. It would jeopardize currency understandings and remove one of the few elements of stability left in the world's international exchanges. Another thing he left out of his calculations was the fact that Congress still believes there is magic in a high gold price.

It is widely admitted that the United States was overambitious in fixing a $35 price for gold. The result of it is that the United States is becoming the storehouse for the world's gold and is exchanging commodities for gold at such a rate that one member of the cabinet remarked, in some pique, the other day, that pretty soon the United States would have all the world's money and the other countries would have all the wealth. Yet this man is one of those who does not want the policy to be reversed at this time.

There are very good reasons, offered by high authorities here, as to why the United States is not likely to reduce the gold price; why Mr. Eccles's wish for a variable price is likely to remain an academic and somewhat pious hope rather than a part of Washington policy.

Monetary Balance

The first reason is that Washington does not want now to jeopardize the goodwill exchange stabilization agreement with Great Britain by introducing a new complication in foreign exchanges such as a variable gold price. Any change now would interfere with the delicate balance that has been achieved in world monetary situation.

A second reason is that any change in price would represent a serious write-off in this country's inventories of gold. This loss would have to be absorbed in the national debt and would throw the budget position hopelessly out of balance. With $12 billions of monetary gold a reduction in the price to $32.50 would mean a loss of a cool billion dollars, while a reduction to $30, which has been suggested in some quarters, would mean a loss of $2 billions.

Having made the gold "profit" the Government does not want to turn it into a gold "loss." It does not want to make available for sale to the world at $30 or $32.50, gold which it bought at $35.

If the United States were to reduce the price of gold it would either have to change the currency base of the dollar or be virtually off the gold standard. In other words, the gold content of the dollar has to be tied to the price the Treasury is willing to pay for gold. Temporarily there could be some variation but many complications would ensue were the variation to continue for long. Legislation would be required for any major change in the gold content of the dollar. Such legislation would probably not get through Congress.

Goal Achieved

One reason why Washington is now prepared to let the matter drop out of discussion is that there has been achieved, by the very discussion of the matter in financial markets, the effect that would have been sought by a lowering of the gold prices. It has deflated commodities and stocks to a considerable degree and produced a healthier condition, particularly in those commodities and securities that have been subjected to the most speculative dealing.

Before the question is likely to become of more than academic interest again, any number of things can happen either in the domestic or the internal situation. Recovery may be under greater control through other measures. There may be a weakening of foreign currencies, due to inflationary influences in Europe which would have much the same effect as a cut in the Treasury's bid price for gold.

Every forecast made in Washington must be subject to that hedge; that the president can upset it. And everything in this article that represents anything in the nature of a forecast carries that hedge.

Washington Suffering From Recovery Jitters

(Continued from page 13

adopting a different policy from that which we adopted in 1932. Our own monetary authorities would be likely to take steps to have the Canadian dollar follow the pound so as to protect our export trade to Britain and other countries on a sterling basis. Canadian creditors would have to meet the exchange premium in the United States. Their losses would be, in a large measure, offset by the benefits to our newsprint producers, our gold mines and other shippers to the United States.

A Dangerous Harvest

RETURNING to our subject of boom controls, there are many other factors which well informed Washington realizes have to be tied into the general picture. Wage increases have to be held down to such as are justified by increasing production. Reduction in the hours of labor must not be allowed to reduce the production of new wealth. An effort must be made to divert purchasing power into those fields where there is unemployment rather than a shortage of skilled labor. Certain price advances have to be controlled by anti-trust action and tariff changes. In all of these fields, discussion is purely academic. The reason is that political and practical considerations will play a major part in determining policies in relation to them. And there is no one to tie divergent views together. Miss Perkins, Mr. Hull and Mr. Morgenthau, for example, agree on almost nothing while the President makes his decisions as he goes along. It all gets back to the fact that Washington is discovering that it is easier to sow the seeds of inflation than to control the inflation when it comes.

One well-informed commentator on national affairs put it to me this way:

"I think history will record that Roosevelt was much more successful in fighting the battle against depression than he is likely to be in the reconstruction period. In that respect he is another Lincoln. If Lincoln had lived long enough to serve out his second term we would probably not have erected that beautiful memorial to him beside the Potomac. He would have failed in the reconstruction period and Roosevelt too will probably fail in controlling recovery now that he has been successful in stimulating it."

Yet it is of the utmost importance to Mr. Roosevelt that he get the recovery under control. If there is to be an unsound boom and if it in turn is to be followed by a crash—or even by that intermediate business recession which, in the natural course of things, is bound to develop in the not too distant future anyway—the nation is very apt to find itself in the middle of another period of depression—not as bad as the last one but a depression nevertheless—just about the time that Roosevelt or his Democratic successor comes up for the 1940 election. It was a period of inflationary prosperity followed by a crash that put Hoover out of office. There is little doubt that a similar sequence of circumstances could turn the nation against the present popular chief executive.

So for political as well as for social and economic purposes, Mr. Roosevelt has the very best of reasons for wanting to restrain excessive speculative enthusiasm during his first year or two of office.

There is one measure of control that, in the opinion of all the country's soberest economic thinkers, is better than all the other minor controls put together. That would be a balanced budget. An economist of the highest ranking said to me:

"All these attempts to control prices, to control stock market and to deal with individual situations are like putting a fist in a hole in the dyke. It will not stop the flood because no sooner do you get one hole stopped up than the pressure of the water produces another hole somewhere else. The one workable remedy is to raise the dam. And raising the dam means balancing the budget, retiring public debt and thus putting an end to the creation of an ever enlarging inflationary base."

Will Roosevelt balance his budget? Only Mr. Roosevelt knows. He has two ways of doing it. One is by curtailing relief handouts and public works. Another is by increasing taxes. To all questions concerning these matters, Mr. Roosevelt gives pleasantly evasive smiles. Perhaps he has not thought them through yet.

Company Reports

Dominion Rubber

Dominion Rubber Co. reported an increase of between 11% and 12% in sales during 1936, but higher costs reduced operating profits to $864,704, against $965,596 the year before. At the same time other income declined from $136,184 to $81,352, leaving the total revenue at $946,056, as against $1.1 million in 1935. After providing all senior charges, but before dividends, there was a deficit of $21,617, as against the profits of $72,523 in the preceding year.

Inventories stand at $2.7 millions compared with $2 millions in 1935. On the liability side funded debt remained practically unchanged, but loans payable increased during the year from $188,735 to $1.4 million.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Sales	10,421,800	9,121,233
Costs	9,557,096	8,155,637
Oper. profit	864,704	965,596
Other income	81,352	136,184
Totals	946,056	1,101,780
Less: Bond interest	346,162	346,265
Bond disc. w/o	6,799	6,645
Depreciation	540,861	574,018
Exec. salaries	42,365	47,184
Directors' fees	6,439	......
Invest. w/o	4,779	7,652
Tax provision	20,265	27,492
Net profit	*21,617	92,523
Pref. dividends	210,000	210,000
Min. dividends	4,039	4,039
Surplus	*235,656	*121,516
Prev. surplus	2,089,759	2,211,275
Surplus forward	1,854,103	2,089,759

*Deficit.

Working Capital

	1936	1935
	$	$
Current assets	5,599,059	4,109,264
Current liabilities	1,955,643	532,019
Working capital	3,643,416	3,577,245

Can. Consold. Felt

Net sales of Canadian Consolidated Felt Co., subsidiary of Dominion Rubber Co., amounted to $677,311 in 1936. Comparable net sales in 1935 were $796,742. Loss from operations for the year amounted to $15,786 and after providing for interest, depreciation, there was a net loss of $74,529, compared with $55,994 the year before.

During the year the bank loan was reduced from $43,000 to $39,000, but there was a marked increase in accounts payable. There is no change in the funded debt. Among the assets, the principal change was reduction in inventories from $116,110 to $109,185.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Sales	677,311	796,742
Cost of goods	693,097	813,690
Operating loss	15,756	16,948
Add: Other income	439	14,235
Less: Bond interest	6,810	9,704
Loan interest	11,026	3,031
Depreciation	34,165	34,065
Exec. salaries	6,020	6,480
Directors' fees	1,160	......
Loss for year	74,529	55,994
Previous surplus	174,252	230,246
Surplus forward	99,723	174,252

Working Capital

	1936	1935
	$	$
Current assets	130,663	134,317
Current liabilities	150,975	95,744
Working capital	*20,312	38,573

*Excess of liabilities.

Candn. Western Gas

Despite the fact that revenue was higher in 1936 than in 1935, Canadian Western Natural Gas, Light, Heat and Power Co. reports lower profits as a result of increased operating expenses and taxes. Net profit for the year was equivalent to $3.63 a share on the common stock, after providing for preferred dividends, compared with $4.22 a share in 1935.

Taxes paid by the company have been increasing steadily since 1926 and in 1936 amounted to $271,859, the highest in the company's history.

During the year the company redeemed 736 preferred shares, reducing the number outstanding in the hands of the public to 29,217.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Sales of gas	2,259,349	2,219,727
Other income	67,265	47,045
Total income	2,326,614	2,266,772
Less: Oper. expenses	1,324,184	1,225,249
Net earnings	1,002,430	1,041,523
Less: Int. on amort. res.	84,429	87,674
Other interest	13,902	13,289
Deprec. & bad debts	37,573	43,100
Amortization	116,288	120,395
Res. for taxes	271,859	257,592
Net profit	468,378	519,473
Less appropriations:		
Preference divds.	177,643	183,137
Common divds.	240,000	240,000
Trans. to cap. redempt. res.	70,000	70,000
Surplus for year	*19,265	27,336
Add. Previous surplus	248,358	184,481
Less: Trans. to gen. res.	......	182
Tax adjustment	5,531	......
Amort. adjust.	8,557	......
Add: Adj. re adv. amort.	......	22,129
Other credits	......	14,594
Balance forward	215,005	248,358

Working Capital

	1936	1935
	$	$
Current assets	1,012,638	834,960
Current liabilities	645,555	622,443
Working capital	367,083	212,517

Burdened With Responsibilities

It is unfair to your friends or relatives to burden them with the responsibility of managing your Estate. This responsibility placed in the hands of a Trust Company, where an especially trained personnel lends its accumulated knowledge and experience to the management of the Estate, constitutes the greatest safeguards for your heirs.

MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

Quebec Grants Rail Charter In Mine Area

Work to be Started Soon on Line from Amos to Mont Laurier

C.N.R. LOSES OUT

From Our Own Correspondent

QUEBEC.—A 250-mile long railway, which will serve the Quebec goldfields, and which will employ nothing but Quebec labor and material, wherever this is possible, is soon to be started, from Amos to Mont Laurier, as the result of the granting by Quebec's Legislature of a charter to the Quebec Goldfields Railway Co. recently.

While the company scored a major victory over the Canadian National Railways in obtaining its charter—the C. N. R. put up a vigorous fight—it found that the railway committee of the Legislative Assembly of Quebec was adamant in exacting certain conditions before the charter would be granted. One of these conditions is that each share of stock be set at $25 par value, instead of being issued without par value, while another was that the head office of the company be in Montreal, instead of in Amos, as was originally called for.

Quebec Labor

Labor and material, it was also provided by the committee, must not only be Canadian wherever possible, but must be 90% Province of Quebec, while the company must start construction within one year of the time of the charter being granted, instead of the three years sought. Construction of the road must be completed within three years of the time work starts on it.

In addition it was established that 30,000 shares of stock be issued, and that work should start from Mont Laurier and Maniwaki, in order to open up a new region, as the line will, according to present plans, proceed northward, into virgin country.

The Canadian National Railways, while losing out in their fight to prevent the charter being granted—they battled the matter from start to finish—did win one victory, when the railway committee reached a decision to suspend the clause in the company's application for a charter, which provided for the construction of an extension of 150 miles from Amos to Lake Chibougamau. The committee intimated that railway development in the Abitibi region should be left to the C. N. R.

Starting Point

In debating the starting point of the road, it was felt that by making the company start from Mont Laurier and work northward, there would be a much better chance of having the road well built, for in order to reach the profitable mining regions, the company would first have to go through non-paying territory.

Hon. Albini Paquette, Provincial Secretary, expressed the opinion that if construction were started from Amos (as was the original intention of the promoters of the road) material used in this work would come from the Province of Ontario. On the other hand, by forcing the company to start work at Mont Laurier, which is linked up with Montreal, Quebec material and labor would be employed.

If the company were allowed to begin operations at Amos, stated Hon. Mr. Paquette, it would construct the profitable section of the road, and would then do nothing at all about the unprofitable southern section. In addition, commencement of construction work at Amos was illogical, because there were but 150 miles from Montreal to Mont Laurier, as against 600 miles from Montreal to Amos. Construction from Amos would be stupid from an economic point of view, without taking into consideration the fact that it would be a great temptation to purchase all kinds of material in Ontario, and mark it "Quebec."

Traffic From Montreal

Mr. Antoine Rivard, in presenting the C. N. R. opposition to the bill, claimed that a recent survey had revealed that 85% of all traffic delivered on C. N. R. points in the Abitibi originated in Montreal, Quebec or some other Province of Quebec industrial centre, while 98% of traffic given the C. N. R. in Noranda—Quebec terminal of the T. and N. O. Railway—was carried over the Transcontinental and its branches to Montreal and other Quebec points.

With its present railway lines, the Canadian National offered a protection to Quebec's industry and trade. The company maintained an economic equilibrium which could easily be disturbed should permission be granted other companies to build additional lines to invade the territory opened, developed and now served by the Transcontinental Railway, Mr. Rivard claimed, warning of the danger of indiscriminate granting of charters, many of which only had what was commonly known as a "nuisance value."

Members of the Legislature declared that the line was badly needed, and criticized the C. N. R. opposition, and then the charter application was finally granted by the committee, subject to ratification by the Legislature of the Province.

Increase Is Predicted In Prices of Shoes

Shoes are going to cost more. While it is not expected that Canadian manufacturers will immediately adopt the full increases anticipated soon in United States, at the same time leather prices have been advancing in this country as in the big republic to the south.

Although horse harness becomes unnecessary when an army is mechanized, still general rearmament in Europe, calling for military shoes and other equipment, has resulted in increasing the export demand for leather. Business recovery on this continent has further stimulated the rise. Price advances up to 25% above those of a year ago are reported. Due to drought, losses among cattle both here and in United States and previous world liquidation during the abnormally low price period for livestock has resulted in some shortage of raw supplies.

Rackets

Crime in Embryo

A striking indication of the modern, interconnected development of gambling, rackets and crime in larger communities of this and other countries, was given in Toronto recently when Chief Constable, Brig.-Gen. D. C. Draper, was impelled to issue a lengthy appeal for co-operation of citizens to stamp out this menace to community welfare.

The patent implication of the chief's statement was that gambling and its various ramifications had developed so persistently that police found themselves unable to keep pace and suppress them without citizens' collaboration. To substantiate his contention that operation of professional gambling places and horse race betting joints on "a portentous scale" and should rally citizens, the chief reported that in eight months, Toronto police had raided 293 places and arrested 718 persons as "foundins."

Those apprehended—at that only a fraction of those participating in gambling activities—included many "notorious characters" and "dangerous criminals," the statement said. Gambling was not only an organized racket that exploited the chance-taking instinct dishonestly at the expense of its victims but it fostered other rackets and provided a breeding ground for crime, in the chief's opinion. Secluded and comparatively private gambling establishments are convenient places for the hatching of criminal plans, and in them crooks can usually find weak, disillusioned and easily led individuals who can be induced to assist in crimes as a means of recouping gambling losses.

All citizens, and particularly young people, should be protected from the temptation of gambling and the danger of being drawn into criminal activity, the chief feels.

Travellers

W. N. Tilley, K.C., a director of the C.P.R., has returned from Europe via New York.

* * *

P. Ashley Cooper, governor of the Hudson's Bay Co., and a director of the Bank of England, returned recently to England aboard the Bremen, accompanied by **G. F. Klein**, manager of the Hudson's Bay Co. in Winnipeg.

* * *

Sir Gordon James Lehman, governor of the Leeward Islands, **Lady Lehman and their daughter**, have arrived at Saint John, N.B., aboard the steamship Lady Drake. They will visit Quebec City, Ottawa, Montreal, Toronto and Niagara Falls.

* * *

Mr. Justice O. S. Crocket and Mrs. Crocket, Ottawa, are sailing on the Aquitania to attend the Coronation.

* * *

Captain and Mrs. H. P. Holt, who have been guests of Sir Herbert Holt in Nassau, have returned to England via New York, sailing on the Queen Mary.

* * *

Ross W. Gray, M.P., and Mrs. Gray, are sailing aboard the Duchess of Bedford to attend the Coronation.

* * *

H. J. Cody, of the University of Toronto and **Mrs. Cody** are leaving Toronto at the end of April for a three weeks' trip through western Canada to Vancouver.

* * *

Sir Thomas and Lady White have returned to Toronto from a holiday at Southern Pines, Atlantic City and New York.

* * *

Harry Oakes and Mrs. Oakes sailed aboard the Aquitania for England recently.

* * *

Hon. Peter Heenan, minister of lands and forests in the Ontario Government will represent Ontario at the Coronation.

Surplus Seen For Manitoba

Will Widen Exemptions Under 2% Wage Tax

Estimating revenue for the 1937-38 fiscal year at $14,169,873 and expenditure at $14,642,688, the Manitoba Government has budgeted for a deficit of $472,755 on ordinary account, exclusive of unemployment relief. The temporary subsidy of $750,000 from the Dominion Government will, however, enable the province to show a surplus of over $250,000.

When final figures for the 1936-37 fiscal year are available it is expected that ordinary account will be shown to have been balanced. The budget last year estimated that there would be a deficit, exclusive of relief, of $295,229. While some additional expenditures have been incurred the increase in revenue as a result of improvement in business has been such that it is expected that there will be an approximate balance as between ordinary revenues and expenditures. Relief costs for the current year, borrowed from the Federal Government are $3.5 millions.

Estimated expenditures for 1937-38 are $300,000 higher than revised estimates for 1936-37.

Wage Tax Revised

Increased exemptions under the 2% wage tax, as announced by Hon. Stuart Garson, provincial treasurer, in his budget speech, are expected to result in a loss of $400,000 in revenue to the Government.

Strong representations will be made to the proposed royal commission which is to investigate Dominion-Provincial relationships for financial and taxation adjustments. Among recommendations submitted by the Manitoba Government will be one suggesting that the entire cost of social services and unemployment relief should be assumed by the Dominion.

The commission will also be requested to give consideration to some plan by which low rates of interest can be made available to the Manitoba Government and to Manitoba municipalities.

Toronto Relief Costs Show Sharp Decline

While total relief costs in many Ontario cities have recorded a decline during the first three months of the current year most of the saving has accrued to the Dominion and Ontario Governments as a result of reduced grants.

Toronto reports that in the first three months, compared with the same period last year, gross relief expenditures declined by $566,284 to $2,302,364. The net cost to the city, however, declined only $36,877 to $752,364. The number of families receiving full relief has dropped from 22,547 a year ago to 17,241 at the present time.

In Ottawa the net cost to the city increased in the first two months of the year by $23,636 although gross expenditure was $85,541 lower than in the same period of 1936. Government grants were $109,177 lower. Total relief costs for the two months were $377,900.

Producers Seek Higher Sugar

Apparently dissatisfied with their share in the rising price of commodities so far, countries chiefly interested in sugar production have sent delegates to a conference in London, England. There they are discussing an international five-year plan to stabilize the world's $112,300 billion sugar industry and put it on a paying basis.

Representatives from Canada, United States, Great Britain and principal European beet sugar producers as well as those interested in cane sugar such as Cuba, the Dutch colonies, and other southern countries are meeting.

Foreign Trade

Chile—General conditions in business were definitely good in the first quarter of 1937, activity being maintained in mining and the agricultural outlook being favorable.

Peru—The outlook has been improved by steadily mounting prices for the country's agricultural and mineral products; private building activity has been maintained, together with extensive activity in public works.

Colombia—Business attained a very satisfactory volume in March, despite political uncertainty; the enhanced purchasing power of farmers and cattlemen was reflected in stronger buying of necessities and implements.

Costa Rica—In spite of the seasonal decline, retail trade was not unsatisfactory in March; banana and cacao shipments were even more active than last year and satisfactory prices have encouraged coffee interests.

Bolivia—Although the reduction in tin output is causing some depression, active exports of other minerals and the better exchange market provide some encouragement.

Japan—Business is operating at a high level, production has increased, with prices firmer, and foreign trade values have risen as compared with last year.

India—Agriculture, trade and industry are in a very satisfactory position and bazaar orders are active, with consumption gaining; a strike in jute mills has affected 50,000 operatives.

China—Development of communications continues, the newest development being a contract for constructing a bridge over the Yellow River between Shansi and Honan Provinces.

Netherland India — The import trade is active, especially in consumer goods for natives in the outer provinces, and general improvement continues, despite the slight recession in export commodity prices.

Philippine Islands—Plans for further industrial development are being studied, but immediate action is probable only on the cotton-spinning plant and small fish-canning centrals.

Poland—Foreign trade in February expanded as compared with last year, particularly in exports, and the industrial production index has advanced.

Jugoslavia—Exports in December were considerably larger than a year earlier but the export surplus for the whole year showed a slight decline.

Greece—Exports in January were much larger than last year, tobacco shipments showing the greatest gain.

Further Delays In Car Co. Claim

Germans Will Not Ratify Munich Pact on War Sabotage

From Our Own Correspondent

MONTREAL.—Hope of payment of the Canadian Car and Foundry Co. claim for damages resulting from the alleged sabotage of the Kingsland plant during the Great War, is again deferred with the report that the German Government has decided not to ratify an agreement to pay $22.5 millions on United States claims growing out of the war-time explosion at Black Tom and Kingsland, N.J.

The German agent, it was said, will renew opposition before the German-U.S. Mixed Claims Commission to the 133 claims resulting from the explosion. The plaintiffs contend that the blasts were the work of spies.

Under the Munich agreement the Lehigh Valley Railroad, agency of the Canadian Car and Foundry Co., Bethlehem Steel Co. and 100 insurance underwriters would have received 50% of the face value of their claims, with interest at 5%.

Originally Canadian Car was claiming about $11 millions and accrued interest. Under the terms of the reported settlement, the company would have received about $6 millions, from which would have had to be deducted very heavy legal costs.

Burns & Co. Earnings Up

Greatest Improvement in Exports — 1937 Prospects Favorable

In reporting full bond interest covered over 1.8 times after depreciation in 1936 and earnings of $2.13 a share for the class A and $1.13 for class B shares, John Burns, president of Burns & Co., states that indications point to a continuation of the improved condition experienced during 1936

The reduction of one cent a pound duty on cattle entering the United States has aided the Canadian livestock industry considerably, Mr. Burns states. A satisfactory market for hog products should be provided Canadian farmers through the renewal of the bacon agreement with Great Britain for another three years.

In 1936 the company restored wages of employees to the level prevailing before the depression. Mr. Burns adds that arrangements have been made for annual holidays with pay for all employees and improved working facilities provided.

Discussing sales, Mr. Burns says that domestic business showed a slight increase over the previous year, while a considerable improvement was enjoyed in exports. Efforts to maintain and improve the company's products have been successful and many awards have been obtained in competition.

Results of Subsidiaries

The major subsidiaries, Palm Dairies Ltd. and Consolidated Fruit Co., did not contribute anything toward the earnings of 1936. Cash dividends of $3,303, covering fiscal periods ended Jan. 1, 1936, were received from smaller subsidiaries and are included in the income.

Earnings of Palm Dairies Ltd. are stated to compare favorably with those for 1935. Volume showed a substantial increase and prospects for 1937 are encouraging. The same is said of Consolidated Fruit Co. Until the net working capital of these two companies is built up through earnings no dividends are expected. Burns & Co.'s interest in the earned surplus of these subsidiaries was $142,493 at Dec. 31, 1936.

Winnipeg Hydro Reports Profit

Further Improvement is Expected This Year

Operations of the city of Winnipeg Hydro Electric System showed marked improvement in 1936 and further improvement is looked for in 1937.

Increased revenue and lower operating costs and debt charges enabled the electrical utility to show a profit of $33,819 on 1936 operations, compared with a deficit of $219,421 in 1936.

Despite slightly higher operating costs and debt charges the steam heating utility showed a profit of $8,513 as against a deficit of $4,300 in the previous year. Total revenue of the steam heating utility was $389,036, compared with $365,933 in 1935.

Forecasts Higher Profit

For 1937, J. G. Glassco, manager, forecasts a net profit of $150,000 for the electrical utility and $4,100 for the steam heating utility.

Funded Debt

Total funded debt of the hydro electric system as at Dec. 31, 1936, is shown at $25.5 millions, against which there is a sinking fund reserve of $8.7 millions. In addition there is a depreciation reserve of slightly over $3 millions and a contingent and insurance reserve of $800,000.

Working capital account shows a deficit of $800,000. Included under current liabilities is a bank overdraft of $1.3 million.

Toronto Stock Exchange Loans Down $2.9 Millions

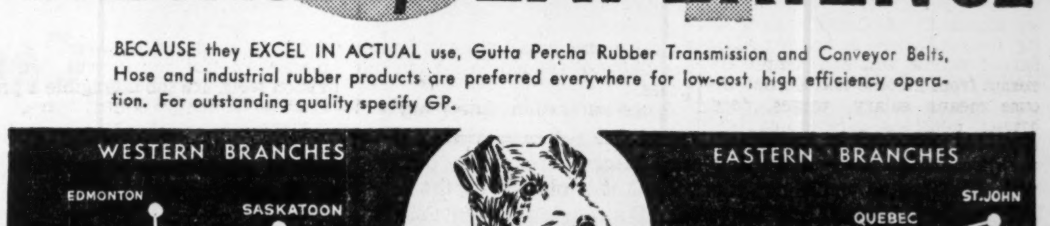
Toronto Stock Exchange member net borrowings on collateral as of March 31 were $42,356,383, a decrease of $2.9 millions from the previous month and compared with $22.9 millions in March, 1936.

We Manufacture
Envelopes
for every purpose
Barber-Ellis of Canada, Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

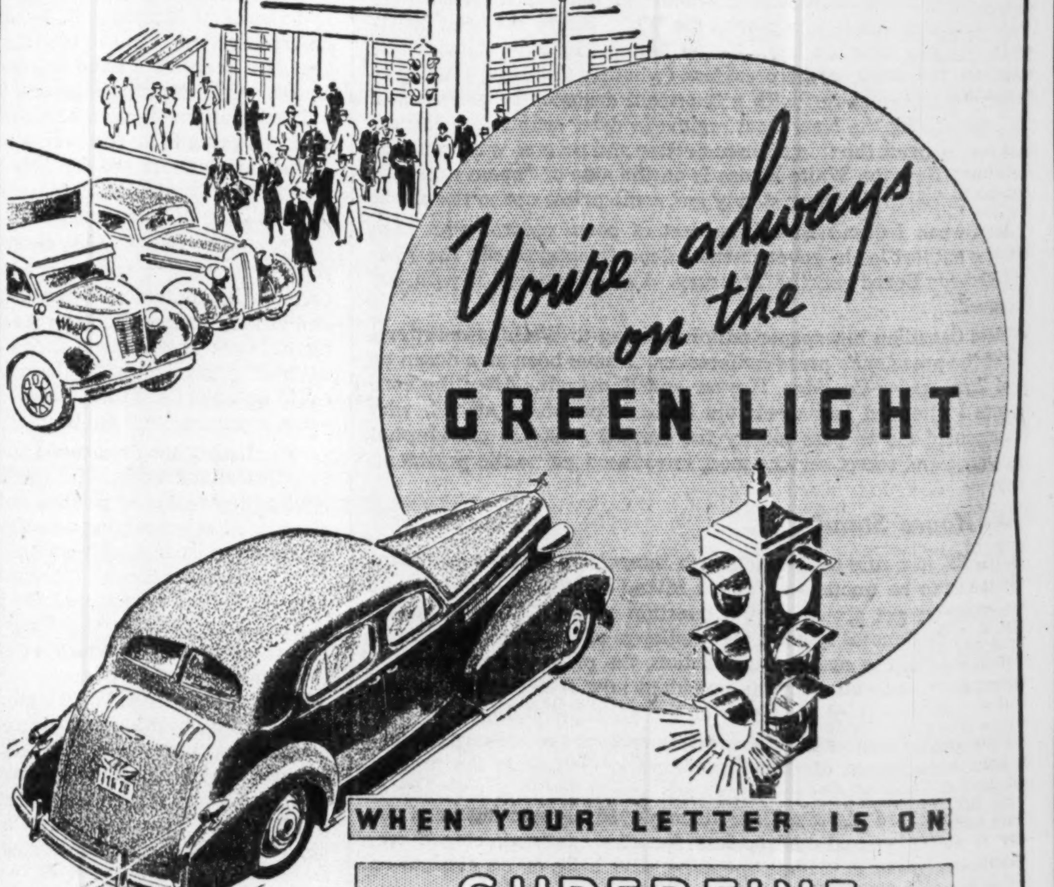
TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

Penmans
Manufacturers of High-Grade
KNITTED UNDERWEAR
HOSIERY
AND OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.
PENMANS LIMITED
General Offices: PARIS, ONT.

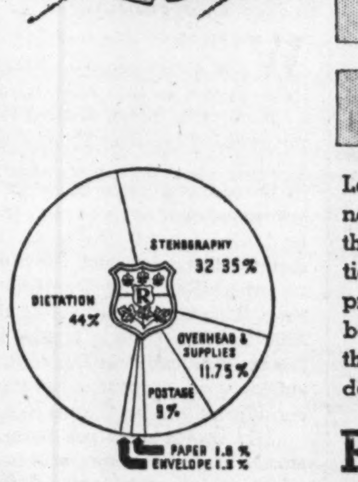
54 YEARS of EXPERIENCE
BECAUSE they EXCEL IN ACTUAL use, Gutta Percha Rubber Transmission and Conveyor Belts, Hose and industrial rubber products are preferred everywhere for low-cost, high efficiency operation. For outstanding quality specify GP.



GUTTA PERCHA & RUBBER, LIMITED
WRITE, CALL or PHONE YOUR NEAREST BRANCH



WHEN YOUR LETTER IS ON
SUPERFINE
LINEN RECORD



Letters inscribed on Canada's finest all-rag paper are never held up or side tracked. They are routed straight through to important executives. They command attention and respect all along the line. And the only premium you pay is the insignificant difference between the cost of SUPERFINE LINEN RECORD and the cheapest bond. For correspondence, records, legal documents, always specify this prestige-building sheet.

ROLLAND PAPER
COMPANY LIMITED
HIGH GRADE PAPER MAKERS SINCE 1882
MONTREAL
Branch Office: TORONTO, Ont. Mills at ST. JEROME and MONT ROLLAND, Que.

Easing The Income Tax Load

Family Heads, Annuitants, Doctors, Lawyers, Clergymen, Wage Earners And Insurance Beneficiaries Among Canadians Who Profit From Exemptions.

By THOMAS C. THOMPSON

Once it was sulphur and molasses in April. Now it's income tax.

Neither is pleasant to take, but the sugar coated income tax pill can be taken in small doses on the "time payment" plan, the first dose consisting of a cheque for at least a third of the estimated tax accompanying the taxpayer's return not later than April 30.

The balance of the tax, with interest at 5%, must be paid within four months or by Aug. 31, 1937. If it is not paid by that time there is a further reminder in the form of a 3% interest penalty to tack on the overdue account. There is only one consolation; the 5% interest charge is limited to a maximum of $500.

But if you are thinking of dodging income tax, the advice of disillusioned delinquents is the same as that from experts. Don't try it. It is cheaper to pay.

In England recently there was carried out one of those psychology tests in which jail prisoners are used for much the same purpose as white mice in the more scientific branches of research. Murderers, burglars and confidence men were accorded the respect of their fellows and all shared a genial atmosphere of camaraderie. But the least popular, most despised and thoroughly detested crime which the research effort disclosed was that of the income tax dodger

Exemption vs. Evasion

Tax evasion is one thing, but an intelligent effort, based on knowledge of the income laws of Canada, to pay a fair share and no more of income taxation, is another. There are experts in Canada who can be retained at a fee to advise on the methods of reporting income and paying tax on a basis to obtain all legitimate deductions and exemptions and those who have made themselves expert in that phase of tax legislation can command fees and corporation salaries for their services. Where large amounts are involved or in cases where business ramifications require such independent advice it frequently pays to retain an expert.

For the average taxpayer whose income tax amounts to only a few dollars, it is probably just as satisfactory to lay the cards on the table and trust to the knowledge and fairness of income tax officials themselves.

As a businessman you may have to pay a part of your 1936 earnings to the Government but there are thousands of Canadians earning fees, salaries or some other form of income who are completely exempt from income tax. Earned income means salary, wages, fees, bonuses, pensions, superannuations, retiring allowances, gratuities, honoraria and almost every other form of income, according to the statutes, but it does not mean that everyone has to pay tax on these.

There is Baron Tweedsmuir of Elsfield, for example, who pays no income tax because as governor-general of Canada his income is exempt. So are the incomes of consuls and consuls-general, officials or officers of any foreign country, whose duties require them to reside in Canada, but only if they are citizens of the foreign country they represent and providing they are not in any other business than that of representing their own countries in Canada.

All British or British colonial officials, residing in Canada, are exempt on the same basis. So are companies, commissions or associations in which at least 90% of the stock or capital is owned by a province or municipality. Charitable institutions, labor organizations, non-profit clubs and farmers' associations likewise escape income tax under certain conditions and there are a dozen more which qualify for complete exemptions—under certain very clearly defined circumstances.

But there is only one governor-general, and relatively few consular officers, etc. The vast majority of Canadians must seek other channels of exemption.

Discretion Allowed

Income tax laws are drafted with an attempt at fairness to taxpayers enjoying exemptions and those who do not. Both in the statutes and their interpretations there is a degree of discretion possible to a greater extent than in most tax laws and the average Canadian who does not seek to evade the tax will find few if any "quirks" by which he must pay more than his due.

If your income is so high that the Government will take more than half of it in income tax the only recourse is to stay outside Canada during the greater part of the year. It is possible to live in the Dominion 182 days in the year and pay no income tax, but if you miss the boat-train and have to stay over another day it means you are a resident within the meaning of the income tax laws. You pay.

A resident or non-resident's income up to $2,000 per annum is exempt from taxation in the case of married men and women, or a widow or widower with children under 21 dependent on the parent for support, or over 21 if dependent for reasons of physical or mental disability.

Exemptions of income up to $2,000 per annum are also allowed an unmarried person with a domestic establishment in which he supports one or more persons connected with him by marriage, blood relationship or by adoption.

A clergyman whose parish duties require him to maintain at his own expense a domestic establishment in which he employs a full-time servant or housekeeper, enjoys the same exemption.

Where Families Pay

It pays to have large families so far as income tax is concerned in Canada. Exemptions of income at a rate of $400 for each child or grandchild, dependent on the taxpayer, are allowed, but where there is more than one dependent in this category the $400 is only allowed for dependents who do not provide the exemption for widows and widowers enjoying the $2,000 exemption. Thus if a widower has four dependent children, he secures the $2,000 exemption for one and $400 exemptions on the other three only.

Similarly $400 exemptions are allowed for dependent parents, grandparents, brothers and sisters.

Exemptions of income for those reasons usually result from circumstances beyond the taxpayer's control, but there are methods of investing and deriving an income which can be adopted by Canadians with the definite object of avoiding income taxation.

One is the investment of funds in a Dominion Government annuity, or similar contract issued by provincial governments or a Canadian insurance company. Exemption is granted income from these sources up to $1,200 a year. Another form of tax saving is the purchase of dividend-paying mining securities, on which a deduction of 20% can be made from dividend income as a depletion allowance, in reporting income from these sources for 1936.

Deductions from income are also allowed for carrying charges on securities, taxes, mortgage interest, fire insurance premiums, sundry repairs and expenses of management and depreciation on property, exclusive of the taxpayer's residence, but none of these deductions can exceed the rental derived from the property.

If you travel on business, the cost of meals and lodgings from home may be deducted from income where these are not borne by your employer, and if there is interest to pay on succession duties and inheritance taxes these interest payments constitute another deduction before estimating the amount of taxable income.

Donations to Charity

Amounts not exceeding 10% of net taxable income actually paid as donations during 1936 and receipted by charitable institutions in Canada are likewise deductible for tax purposes.

Since succession duties apply to estates and bequests, Canada's tax system fairly enough exempts the value of property acquired by "gift, bequest, devise or descent" from income tax in the year such property passes to a new owner, but once invested, the proceeds of the gift or bequest are taxed for income purposes. In the same manner, the proceeds of a life insurance policy paid on the death of the insured are exempt from taxation but the income derived from life insurance proceeds is not.

Ramifications of the income tax laws are legion but the statutory exemptions and deductions from income are clearly set forth for those who take the trouble to delve into the voluminous statutes and references. How many know, for example that when a corporation redeems its shares at a premium the income tax department considers the premium as a dividend and therefore taxable but that the premium on redeemed bonds is not?

Or that on reorganization of a company the amount by which undistributed income is capitalized is treated as a dividend in the year the reorganization takes place?

Depreciation Allowance

Corporation income taxation is a wider field in which income tax specialists are retained by corporation managements expressly for the purpose of guiding the company through the maze of income tax regulations. The search for exemptions and deductions from income is pressed even more strongly in the case of corporations, through depreciation allowances which may range as high as 25%.

Professional men are treated as one-man corporations however. They are allowed a 10% depreciation deduction on professional instruments and books. A doctor, lawyer, clergyman or other professional man can, therefore, write off depreciation on his private library in the same manner that a $1 million corporation writes off depreciation on plant and equipment. Medical instruments are allowed 15% to 25% and motor cars used in the medical profession are subject to a 20% depreciation allowance. The only restriction is that depreciation deductions must be incorporated in the books of the taxpayer.

And for those brokerage house chair-warmers who spend their days watching the quotes go by, there is comfort in the thought that no income tax is payable on stock market profits, except in the case of a man whose business is that of underwriting security issues. Stock market profits, the income tax division feels, are too intangible a product on which to collect taxes.

Income Tax Problems

I hold securities which are redeemable or callable over par. Is the price obtained over par considered as capital or income and how should it be reported?

—

You do not mention whether the securities are stocks or bonds. If they are stocks, the premium is taxable; in other words the amount you receive as a premium over the par value is considered as income and therefore entered on your return as such. If the securities are bonds, the opposite is true. The premium over par is not taxable and need not be shown as income. The reason is that the income tax division considers that redemption of a corporation's shares at a premium is in the same category as the declaration of an extra dividend, rather than a return of capital. As a dividend it is a part of income which must be reported for tax purposes.

• • •

$2,000 Exemption

My wife is an invalid, unable to perform any household duties and as a result, assistance has to be employed in the household. Can the cost of this household assistance be charged as an expense for which tax exemption is granted?

—

No. Under other conditions affecting widows, widowers or unmarried persons with dependent invalid brothers, sisters, parents, grandparents or children, there are statutory exemptions up to $2,000 per annum, but the same exemption applies to all married persons and as a married man you are exempt up to $2,000 only. The income tax regulations take no cognizance of the fact that your wife is an invalid and that extra household aid must be employed as a result. The reason is that $2,000 is considered by the law to be ample for the support of a man and his wife, whether or not it includes the employment of a servant. Consequently you are not entitled to deduct the cost of household assistance under the circumstances you mention.

• • •

Office Exemptions

A building is erected in Canada having special features not generally encountered here. A New York architect draws the plans but a Canadian architect supervises the construction. The regular commission is split between the two architects. Should the 5% non-resident income tax be deducted from the New York architect's fee, although he has not entered Canada and all his work was done in New York?

—

No deduction of the 5% non-resident tax would be necessary at the Canadian source of payment, but the question raises points which are somewhat complicated in character and a special ruling should be sought from income tax officials for several reasons.

One is the amount of money involved. In spite of statutory exemptions the New York architect may nevertheless be liable for non-resident income tax in Canada. This would be disclosed by the return of the Canadian corporation erecting the building, on Form T-4, as salary or fee paid the New York architect.

For that reason the New York architect himself should file a Canadian non-resident income tax return showing his gross income from all sources and his gross income from Canada, less expenses incurred in Canada.

• • •

Stock Market Losses

During 1936 I sold certain securities at less than the prices I paid for them. Can I claim any exemption for the losses for income tax purposes?

—

No exemption is allowed under the circumstances for the reason that neither profits or losses resulting from stock market operations are recognized by the income tax division, unless stock market operations form the regular business of the taxpayer.

An underwriter of securities or a person whose business is that of a professional stock market trader would be required to report income from those sources, but persons ordinarily engaged in other occupations are not required to report either profits or losses resulting from speculation in securities.

• • •

Employee's Board

If an employee is paid a stated sum per week including board, can board be charged as a legitimate expense against the business enterprise?

—

Income tax authorities make no distinction between cash or other form of remuneration and you are therefore entitled to deduct both the cash and board as business expense. However, you must place a value on the board provided for the employee and he in turn must report, on his own income tax return, a corresponding amount of value received in addition to his wages paid in cash. Thus if he were paid $1,000 per annum plus board valued at $500, your income tax return would show $1,500 as a deduction from ordinary business expense. On the other hand, your employee is required to report $1,500 in wages, as part or all of his income for the corresponding period. The income tax division bases many rulings on this obvious fact that nothing can be paid out in the form of expense without another individual receiving a corresponding amount, whether in cash, goods or other form of compensation.

• • •

Business Losses Exempt

Any profit from my business as a grocer has to be reported for income tax purposes. Am I entitled therefore to make a deduction when there is a loss?

—

Yes, providing there is another source of income to which you can charge the loss. Obviously, if your business experiences a loss and there is no income over expenses, you have no income tax to pay. But if you also receive dividends or some other form of income for the same year, you are entitled to show your legitimate business losses as proper deductions from all sources of income.

How and When to Pay Dominion Income Tax

Use Form	Nature of Form	Due to be Filed	Penalty
T 1—Individuals .	Income for the calendar year.	On or before Apr. 30.	5% of the tax due. Maximum $500.
T 1A—Farmers and Ranchers .	Income for the calendar year.	On or before Apr. 30.	5% of the tax due. Maximum $500.
T 2—Corporations	Income for the fiscal year.	Within four months of fiscal year-end	5% of the tax due. Maximum $500.
T 5—Corporations	Dividends and bonuses paid in cash or capital stock during calendar year.	On or before last day of February.	$10 for each day of default. Maximum $50.
609—Corporations	Interest paid on fully registered bonds and debentures in calendar year.	On or before last day of February.	$10 for each day of default. Maximum $50.
T 3—Trustees ...	Income of estates for calendar year administered by executors, administrators, agents and assignees.	On or before last day of February.	$10 for each day of default. Maximum $50.
T 4—Employees .	Salaries and wages of $1,000 or over paid during calendar year.	On or before last day of February.	Minimum $2. Maximum $50.

$103 Millions in Taxes Collected at Cost of 2%

Canada's Income Tax Yield Highest on Record—Fewer Than 400 Persons Pay $11 Millions of Total

With no salesmen to pay, no raw material to buy, no inventory to carry, no manufactured goods to produce, and without competition, Canada's most profitable big business enterprise grossed about $103 millions in the 12 months ended Mar. 31, 1937.

It paid no income tax, sales or municipal imposts, and after meeting all expenses including administration costs of about 2% on gross, its net profit was over $100 millions.

No Royal Commission investigation is contemplated, however, for "big business" in this case is the Dominion Income War Tax itself. Born an unwanted war baby 20 years ago it is now reaching a lusty majority as a revenue producer in which Canadian taxpayers are both customers and shareholders. Unwilling customers perhaps, but cheerful shareholders when federal appropriations for new wharves, harbors, airports, armories and other dividends are declared.

About 200,000 Canadians will burn midnight oil between now and the end of April, compiling a dozen different types of income tax return, but few have the slightest idea of the vast organization through which their money passes after reaching that mysterious figure, "the receiver-general."

To the average taxpayer whose income brings him within the scope of federal taxation, the income tax division is a relentless machine created to squeeze dollars from an already tax-burdened populace.

Render Unto Caesar

That conception is not strictly accurate, but it is true that the duties of income tax officials are prescribed in meticulously legal terms of the statutes and officials themselves are determined to see that the things that are Caesar's are rendered unto Caesar. Like another famous agency of the Canadian Government, the income tax division "gets its man" and often spends years in the process. The results are shown in terms of dollar revenues in the federal treasury instead of jail terms in federal penitentiaries.

On the other hand, income tax officials are human and because provisions of the highly complex Income War Tax Act may be interpreted in more than one way, income taxing officials exercise a degree of discretion that few other taxing bodies enjoy. There is a common-sense attitude among senior income tax officials that expresses itself in strict fairness to the taxpayer and makes the income tax division the nearest thing to an efficiently managed business organization that any government department could hope to achieve. The chief difference is that the customer is not always right, as indicated by the fact that in one area alone the Government has collected millions in excess of the amounts of tax estimated as due the Government by individual and corporation taxpayers filing returns.

Little Black Book

The exact figures appear in a little black book in the offices of the Income Tax Division. Investigations, frequently extending over many years, may reveal that the Government has not received its due from individuals or corporations. The enquiries proceed and the next year's return is made. Still nothing may happen but gradually the returns themselves undo the would-be tax dodger. Then the facts are co-ordinated, and the blow falls in the form of a demand for back taxes.

As one official describes it, "They sometimes have to sell $20,000 or so of bonds," but the $20,000 is added to the month's total and entered in the little black book. At the end of the year the total is substantial and it represents money that would never have been collected if investigating officers were not on the job.

Fair Break for Taxpayer

That is the unpleasant side of the picture. But there is another, because tax officials do not adopt a Scrooge-like attitude toward those seeking advice in filing income returns. In many cases where the taxpayer might have paid more than required, tax officials point out exemptions or deduction allowances and where there is a question of extreme doubt, a ruling from Ottawa is given in the same spirit.

Who Pays Taxes?

Who pays income tax?

The figures for collections in the 11 months ended Feb. 28, 1937, show that the largest incomes are those of residents in Toronto, Montreal and London, with Ottawa in fourth place. But individuals who pay the largest income tax are numerically insignificant and only 304 persons in Canada paid tax on income in excess of $50,000 in the fiscal year ended Mar. 31, 1936.

Wealth and Wages Pay

An analysis of the 1936 payments shows that these 304 paid no less than $11 millions in income tax to the Canadian treasury, or an average of $36,367 each. But that amounted to exactly one-third of all income tax paid during the year by individual Canadian taxpayers, although the taxpayers themselves represented only .15 of the total number contributing. Who were the wealthy 304? The income tax department won't tell, for the identity of all taxpayers is a jealously guarded secret.

At the other end of the scale were the 89,724 individuals who paid tax on incomes of $2,000 or less. They contributed only $987,387 which rather confirms the view that although wealth may be somewhat concentrated among a few individuals so far as income is concerned, it is conveniently concentrated where a large slice of it is diverted into Government coffers. Surtaxes start at $5,000 but from that level to $10,000 a year, the revenues from income tax are much smaller than those taken from individuals with incomes of $10,000 or over.

Thus the 3,303 Canadians with incomes between $10,000 and $15,000 a year paid $3.3 millions in the 1936 fiscal period as income and surtaxes. Incomes ranging from $15,000 to $20,000 yielded $2.3 millions from 1,290 taxpayers and 654 individuals with incomes between $20,000 and $25,000 paid $2 millions.

When the $11 millions paid by 304 individuals with incomes in excess of $50,000 are considered, there is a striking contrast with the relatively poverty-ridden 78 whose incomes between $45,000 and $50,000 yielded only $866,677 to the federal treasury.

Employees Contribute

There is a different side to the income tax picture if tax payments are classified by professions and occupations. There are no figures available for 1936, but the 1935 total shows employees to have paid $11 millions for the year compared with $6 millions from those engaged in financial occupations. Next largest group at $2.7 millions is shown merely as "All others" in Government records, but that does not take into account the $2.3 millions paid by persons classed as "personal corporations," the $1.6 million paid by professional men and women, the $552,256 paid by retail merchants or the $201,434 paid by wholesale merchants.

Relatively small are the tax collections from individuals engaged in agriculture—and from those engaged in manufacturing or individuals grouped as family corporations.

Corporation income tax and non-resident taxes are included in the table shown in last column for 11 months ended Feb. 28, 1937. There is no break-up of official figures to show the various industries which contributed in that period, but using statistics for 1935 it is found that the meagre volume of taxes collected from individuals in the manufacturing industries was more than offset by collections from manufacturing corporations. These amounted to $15 millions for the fiscal year ended Mar. 31, 1935 and exceeded all other classifications including the $2 millions collected from wholesale merchants and the $1.5 million from retail merchants.

Canada's non-resident income tax is one of the most successful efforts yet instituted in Canada to collect money where it hurts the least. In the fiscal year ended Mar. 31, 1935, a total of $5.8 millions came from non-residents and later figures will probably show a marked gain over that amount.

In the 11 months ended Feb. 28, 1937, net collections of Dominion income tax were $98.7 millions, or an increase of $19 millions over the same period of 1935-36. When the returns for March are completed it is probable that the fiscal year will show a yield of at least $103 millions from income tax, the highest for any year since the act came into force.

The cost of collecting the federal income tax has ranged in recent years from 3.58% in 1926-27 down to a figure of approximately 2%, which is expected to be reached in the current fiscal year.

Total collections, the cost of collection, and the percentage, in the last six years have been as follows:

Collections and Cost
(000's omitted)

Year	Sum Collected $	Cost of Collections $	Rate %
1931-32	61,257	2,131	3.48
1932-33	62,066	1,946	3.16
1933-34	61,399	1,913	3.12
1934-35	66,808	1,969	2.95
1935-36	82,709	2,114	2.56
1936-37 (9 mos.)	91,600	1,552	*

*The rate for the current year will probably be around 2%.

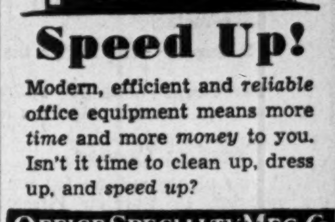
Collections will be larger next year for owing to the manner in which official income tax returns are published by the Government for its fiscal year, the assessed incomes and taxes collected lag behind the calendar years for which individual and corporation income tax returns are made to the Government. For that reason the recent revival in business activity and the upward trend of income figures will not be reflected in Government statistics for some time to come.

Income tax collections, by districts, for the 11 months of the fiscal year ended Mar. 31, 1937, show the upward trend, however.

Detailed figures follow:

Dominion Income Tax Net Collections
(11 Months End. Feb. 29, 1936; Feb. 28, 1937)

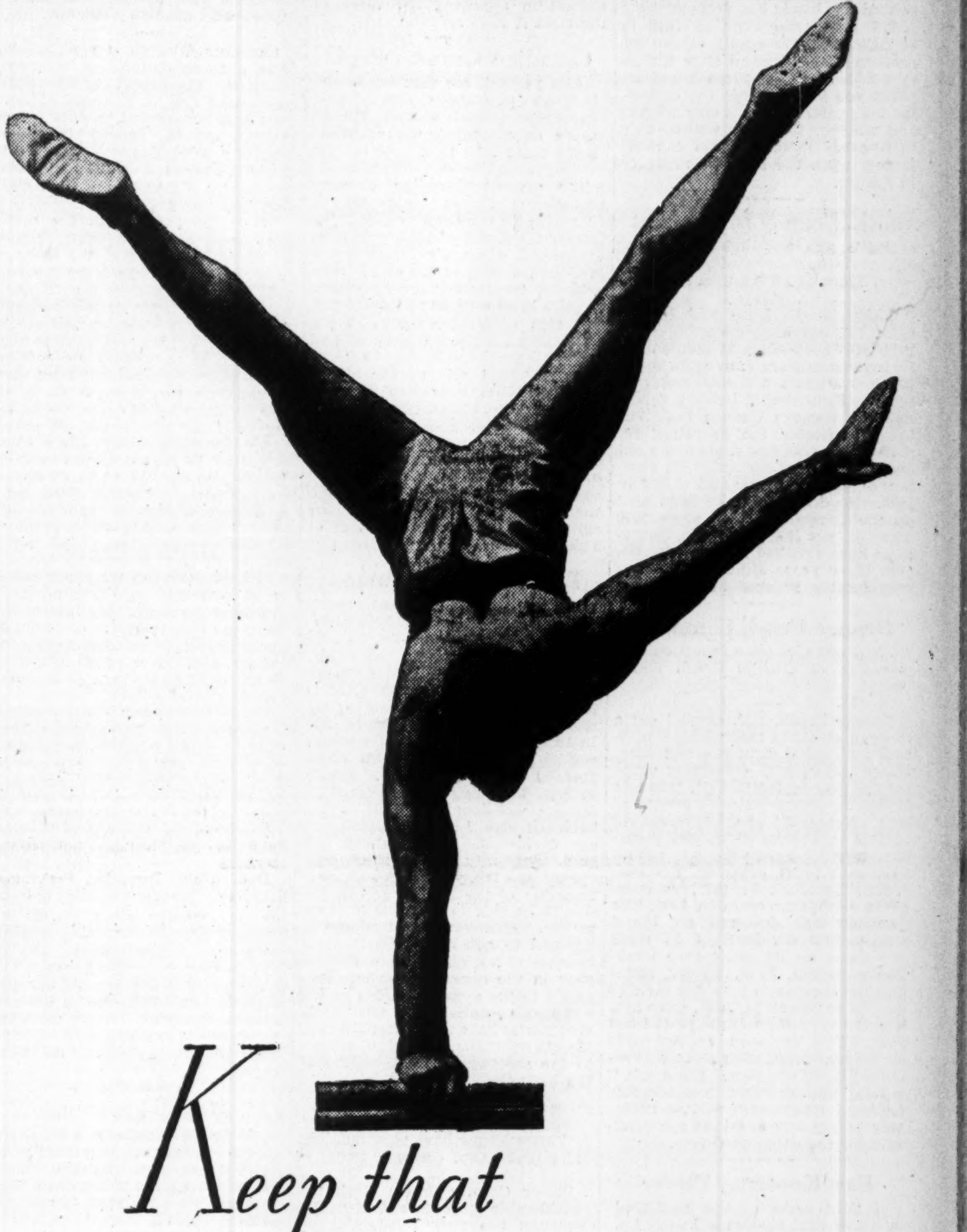
District:	1935-36 $	1936-37 $
Charlottetown	402,301	783,262
Halifax	1,149,611	1,291,464
Saint John	797,299	890,348
Quebec	808,651	1,209,491
Montreal	23,391,891	26,301,421
Ottawa	5,111,452	8,264,707
Kingston	176,851	325,158
Belleville	393,810	436,969
Toronto	24,664,142	32,349,144
Hamilton	5,949,626	6,626,740
London	7,457,431	9,067,609
Fort William	190,492	256,883
Winnipeg	2,079,437	2,342,932
Regina	191,602	241,238
Saskatoon	106,461	138,694
Calgary	1,137,511	1,353,876
Edmonton	376,564	395,851
Vancouver	5,264,535	6,424,384
Yukon	17,597	23,521
Total	79,667,273	98,743,722



Speed Up!

Modern, efficient and *reliable* office equipment means more *time* and more *money* to you. Isn't it time to clean up, dress up, and *speed up?*

OFFICE SPECIALTY MFG. Co.
NEWMARKET CANADA



Keep that BALANCE

Whether you're a gymnast, or a tobacco blender, you must keep your balance, or else — !

The balanced blending of tobaccos gives that natural, straight tobacco aroma and taste so marked in Imperial Tobacco's brands of cigarettes. Their aroma appeals as soon as you open the package . . . you just *know* they are naturally good! Then touch your tongue to the end of the cigarette before you light it, and draw slowly. Savour that delightful taste, born of fine tobaccos, and *only* fine tobaccos, skilfully blended and in balance.

We take from our cool, airy warehouses, mild tobaccos of different and contrasting types, aged and mellowed by time, and then match them, type against type — until they are exactly in balance — perfectly blended.

Balanced blending is a scientific method developed by this company through many years of experience. The blend of every Imperial brand of cigarettes is perfectly balanced before it is offered to the public and it is kept that way — always — so, in the cigarette of your choice you are assured of unvarying pleasure and unfailing satisfaction.

SWEET CAPORAL
TURRET
GUINEA GOLD
MILLBANK
PLAYER'S
WINCHESTER
CAMEO MENTHOL
W.D. & H.O. WILLS'
GOLD FLAKE

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of nonsubscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto.

Foreign Power

Will you please outline for me the position of Foreign Power Securities and particularly the outlook for the preferred stock?

Foreign Power Securities was established at the height of the last bull market for the purpose of investing in French public utility securities. In recent years revenues have declined and the equity back of the bonds has held up largely because of the premium on French francs when translated into Canadian dollars. Now that the franc has been devalued, the position of the company is impaired. However, steady redemption of bonds has resulted in reduction of the outstanding amount to less than $2.4 millions against $5 millions originally issued. At the same time, it should be noted that the equity behind the bonds has dropped from $2,575 per $1,000 bond in 1930 to $1,331 in 1936. The equity behind the preferred has declined from $257.50 to $15.63 a share. From the foregoing you will see that the outlook for the preferred is not encouraging and whether the stock will be able to re-establish its position depends largely upon the business recovery in France.

Sask. Loan & Investment

Have you any information as to recent operations of Saskatchewan Loan and Investment Co.?

Saskatchewan Loan and Investment Co. has been operating since 1911 with head office at Moose Jaw. Its investments are entirely in mortgages, contracts for sale and real estate. Unfavorable lending conditions in western Canada have adversely affected the operating results in the past few years and a net loss in 1936 amounted to $1,301 compared with a net loss of $2,748 in 1935. No dividends have been paid on the company's stock since 1929 when 6% per share was paid. Operations have resulted in a loss for the past three years although this was considerably reduced in 1936.

Orange Crush Common

Will you give me a report on the position of Orange Crush common?

Orange Crush, Ltd. carried out a reorganization in 1936 which simplified the capital structure and eliminated the deficit. Operating profit for the year ended Oct. 31, 1936 was $37,994 as compared with $19,516 in 1935. Net profit of $10,098 resulted in 1936 as against $1,329 the previous year. Earnings per share amounted to 34 cents on the new preference stock in 1936, as compared with four cents in 1935. The company has declared an initial semi-annual dividend of 35 cents per share on its preference stock. The president, E. P. Taylor, states that the company's sales for the five months to March 31, 1937, were 31% higher than for the same period last year. Full dividend requirements on the new preference stock will require $21,000 per year. From this it would appear that considerable further improvement will be necessary before any earnings are available for the common shares.

East Kootenay Power

I hold some of the preferred stock of East Kootenay Power Co. My broker seems somewhat hesitant in saying what he thinks about this stock and I would like to have your frank opinion.

East Kootenay Power has paid bond interest and interest on loans from Power Corp., but there has been no depreciation set aside for several years and no dividends paid on the preferred stock since Mar. 15, 1932.

The last time the company reported any earnings on the preferred was in 1933, when three cents a share was reported before provision for depreciation. At the end of Mar., 1936, the company, in addition to the bonds, had outstanding notes payable to Power Corp. of Canada amounting to nearly $2.2 millions. There is no reason for anticipating a marked increase in earning power and for that reason the position of the preferred stock can hardly be considered as attractive.

C. W. Linsday

Kindly let me have your opinion on C. W. Lindsay and Co. Will you let me know what kind of business it handles, and if it is making any progress?

C. W. Lindsay and Co. handles musical instruments and electrical apparatus, through stores located in Montreal, Ottawa and other points. Naturally this type of business has been affected by the depression and as a result of the drop in sales, it has been necessary for the company to defer dividends upon its preferred stock. In the year ended Feb. 28, 1936, the company reported a net operating loss of $33,525. This is the best showing made since 1931. The report for the fiscal year 1937 is not available, but it is possible that the statement will show a small operating profit. Owing to the strong liquid position, the company has been able to service its funded debt. There is plenty of equity back of the preferred and common shares, but earning power is limited to date. With further business recovery the company should be able to re-establish its earning power.

Melchers

Can you explain the decline in the value of Melchers A stock when only recently the company declared a dividend of $3 a share?

The reason for the decline in the value of Melchers class A stock is explained by a study of the recapitalization plan carried out late last year. Class A shareholders were given $3.50 in cash for each share held. This was not a dividend, but a return of capital. In addition, the holders of the class A received 1¼ new preferred shares for each class A share held. This represents a dilution of the equity per share, which has been recognized by the market in adjusting the value of the class A stock.

Canadian Canners Pref.

Can you tell me why Canadian Canners preference shares are currently quoted around $19 a share as compared with $100 a share some time ago?

The present Canadian Canners preference shares represent a change in the company's capital. The former 6% shares of $100 each were exchanged, one share for five new preferred shares of $20 each. This accounts largely for the difference in price between $100 and about $19. The first preference shares of $20 each carry 5% fixed dividends, and a possible participation up to a maximum dividend rate of 6%. They are also convertible into common shares. The company's earnings have improved, and this will be shown in the annual report. However, there is no prospect of receiving any more income than $1.20 a share annually on the present $20 shares, and the probable rate for the current year seems to be 5% or $1 a share.

B. C. Packers Common

Can you give me recent report on British Columbia Packers common?

British Columbia Packers reported earnings for 1936 equivalent to 73.4 cents a share on the new capital, which was the first profit since 1930. In 1936, the company's net working capital was increased from about $147,000 to nearly $379,000. Nevertheless, the company appeared to require additional working capital before it would be in a position to pay dividends. The company had an unexpectedly good catch of sockeye salmon last year, and with continuation of the British preference, should be able to continue to show profits. However, the business is inclined to substantial fluctuations because of variations from year to year in the salmon fisheries. Due partly to the great reduction in the company's capital, the new common shares have more strength than the old securities, subject, of course, to the somewhat erratic nature of the business.

Power Corp.

Please let me have your opinion of Power Corp. common stock.

Power Corp. common stock has considerable leverage behind it. The company has very substantial investments in various public utility properties, and its investment portfolio has recently shown a substantial increase in value while revenues have been on a better basis. It is difficult to analyze the position of this company, inasmuch as the management has not made public any particulars in regard to the investment portfolio for some years. The company has control, or a substantial stake, in properties such as Southern Canada Power, Canada Northern Power, Winnipeg Electric, East Kootenay Power, B. C. Power, etc., but such information is not a sufficient basis for intelligent appraisal of the investment merits of the common stock.

B. C. Power

Please let me have some information on the class B stock of B. C. Power Why does this stock sell below the A shares?

B. C. Power Corp. has reported a steady improvement in its operations and earnings, but there has been no income available on the class B stock since 1932, when half a cent per share was earned. The class A stock is noncumulative, but is preferred as to dividends up to $2 a share. In the 1936 fiscal year the company earned $1.64 on the class A and is currently paying $1.60 a share in dividends. There does not appear to be any prospect of earnings or dividends on the class B stock in the near future.

Great Lakes Paper Shares

Will you outline the prospects for any substantial balance of earnings being available for the shares of Great Lakes Paper Co. in 1937?

Great Lakes Paper Co. has outstanding $6 millions of 5% first mortgage bonds, 100,000 class A preferred shares, 100,000 class B preferred shares and 100,000 common shares. The company is in arrears two interest payments, totalling $300,000. It is also in arrears of dividends on the class A and B preference stock, of $3 a share, totalling $300,000. The capacity of the plant is 100,000 tons annually, and the company produced approximately that amount of newsprint paper in 1936. This year, it may be possible to get another 10,000 to 20,000 tons out of the mill. After payment of preferred dividends, all three classes of shares participate equally in any further dividends that may be paid. On the basis of $50 newsprint, assuming that at least $5 a ton can be added to net earnings, it is believed the company can earn $3 a share on the class A and class B preferred and $1 a share on the common, and possibly somewhat more if costs of production are kept from rising.

Canadian Vickers

Would you plase give us your views on Canadian Vickers?

Canadian Vickers is reported to have a better volume of business on hand. The report for the fiscal year ended Feb. 28, 1937, will appear soon and is expected to show bond interest earned. During 1936 the company showed net earnings of $223,710, compared with bond interest charges of $150,390, and depreciation reserve of $190,478.

While the outlook for the company is more encouraging, it should be borne in mind that the sinking fund on the first mortgage bonded debt is in arrears since Aug. 1, 1933, while no dividends have been paid on the cumulative preferred stock since Feb. 1, 1930. At present the preferred is in arrears more than $50 a share. Before anything can be paid on the common stock, it will be essential to bring the sinking fund up to date and to make some arrangement with the preferred stock in regard to the arrears. The latter undertaking may require writing down the equity of the common shareholders.

Dryden Paper

I hold some Dryden Paper common stock and have been advised to purchase more. My informant tells me that the price of sulphite pulp has advanced considerably in value and, as a result, Dryden Paper will likely earn $2 a share on its common stock.

Dryden Paper has paid the bond interest charges, but there has been very little available for depreciation or depletion. The prospects for the company are better and expectations are that the company will show a further increase in revenue this year. We rather doubt if the revenue in sight from the sale of surplus pulp will enable the company to earn more than $2 a share on its common stock. Your informant may be confusing sulphite pulp with sulphate pulp. Dryden Paper does not manufacture sulphite pulp, which is used for fine paper manufacture and in the production of rayon. It does, however, manufacture sulphate pulp which is used in the production of Kraft paper.

McColl-Frontenac

McColl-Frontenac's common stock has declined in market price and it has been suggested that I should buy some of this stock. Will you let me have your opinion on this security?

McColl-Frontenac Oil Co.'s financial statement for the year ended Jan. 31, 1937, was disappointing. In the face of an increase in sales, both in gallons and dollars, net earnings available on the common stock dropped to 45 cents a share. This was not only the lowest figure reported for several years, but was considerably less than dividends paid. Moreover, the company shows bank loans of over $2 millions, whereas in the previous year, there were no obligations to the banks. The financial position of the company, therefore, has undergone a reversal which is not promising for the common.

British Mortgage & Trust

Can you give a report on the financial position of British Mortgage and Trust Co.?

British Mortgage and Trust Corp., Stratford, has been able to show earnings in excess of the $8 a share which has been paid for the past three years. In 1936, the company earned $8.32 a share as compared with $10.11 in 1935. Most of the company's business is in guaranteed trust accounts and all mortgage loans are in southwestern Ontario. At the end of 1936 the company had total liabilities to the public of $4,337,207 which were secured by assets of $7,189,007. Liquid assets at the end of 1936 amounted to 50% of deposits. Based on a price of $160 a share and the present dividend rate of $8 a share, the yield to the stockholder would be approximately 5% per year.

Reliance Grain

Will you please give me some idea of the earning power of Reliance Grain Co.? Also I would appreciate a discussion as to the merits of investing in this type of security.

Last year Reliance Grain Co. reported consolidated net income, equivalent to about $1.24 a share on the common stock. This represented an improvement over the previous year, when the company reported $4.69 a share on the preferred stock as against dividend requirements of $6.50 a share. Financially the company is in a better position and the outlook for the common stock is more favorable than it has been for some time past.

As regards investment in the common stock, you should note that the company probably will not do anything in the way of dividends for some time, preferring to build up its liquid position. The earnings of the grain companies are subject to wide fluctuations from year to year.

Can. General Investments

Can you give me a report on the earnings and operations of Canadian General Investments Ltd.?

Canadian General Investments Ltd. reported earnings in 1936 of 56 cents a share, an increase from the 46 cents a share earned in 1936. The annual dividend rate has also been increased from 40 to 50 cents per share. The net value of the assets behind each share of the company's stock was $14.65 per share at the end of 1936, an increase from $10.55 per share in 1935. Since the first of the year we understand that there has been a further increase and that net assets amounted to approximately $16 a share at the end of March. Income has shown a substantial increase in the first quarter of 1937 as compared with the corresponding period of 1936.

This investment trust is of the management type, with the classification of investments left to the discretion of the management. As at Dec. 31, 1936, 83% of the company's investments was in these categories, as compared with 65.5% in 1934. The company's only capitalization is 600,589 shares of common stock on which it has been able to pay dividends in each year.

Label Please

As a help in giving prompt service, The Financial Post requests subscribers to attach to their enquiry letters an address label from The Financial Post. A sample label, like the one on your copy of The Post, is reproduced herewith.

JOHN S CLARKE FP BX
109 ELMWOOD AVE
SUDBURY ONT
AUG-14-37 658384

This label will allow quicker identification of letters as coming from paid subscribers. The time saved in handling will result in earlier replies.

Canadian Celanese

Please let me have a report on earnings and operations of Canadian Celanese Co.

Canadian Celanese reports a slight decline in earnings during 1936 as compared with 1935, but profits were sufficient to pay regular dividends on the common stock. Net earnings last year were equivalent to $13.97 a share on the preferred; and $2.54 a share on the common.

Operations and finances of Canadian Celanese have shown steady improvement since the company was established in 1926. There is still some feeling that the textile companies are vulnerable to tariff changes.. However, Canadian Celanese has managed to bring out satisfactory statements, and there is a possibility that the company will increase distribution on the common stock during the current year.

Rolland Paper

Kindly let me have a brief report on Rolland Paper Co. common?

Rolland Paper Co. is an old established fine paper manufacturer. It has good management and a favorable record of operations. Over the last year demand for fine papers has increased and earning power of the company has been on a better basis than for some time past. Net profits for the 1936 fiscal year amounted to 68 cents a share on the common stock, the largest amount reported since 1930 when the company earned $1.16 a share. At present the company is paying a dividend of 50 cents a share. There is a prospect of an increase in the distribution to the common shareholders as the financial position of the company is strong.

Amalgamated Electric

As a subscriber of The Financial Post, I would appreciate a report from you on the current position of Amalgamated Electric Corp., of which I hold some of the preferred stock.

In 1936 total income of Amalgamated Electric amounted to $42,139, as against $30,423 in the previous year. No dividends have been paid on the preferred stock since 1931. Since that time, however, the net loss per share of preferred stock has been reduced from $7.55 in 1932 to 26 cents a share in 1936. The company is largely dependent upon the construction trade for the sale of its products, so that any increase in construction would be expected to show a corresponding increase in the sale of the company's products. On that account it is anticipated that the report for this year will make somewhat better reading for the shareholders.

Montreal Power

Will you please let me have your views on Montreal Light, Heat and Power Cons. common stock and why it is selling at such a low price?

Montreal Light, Heat and Power Consolidated common stock has been in the doldrums for some time, owing to the political situation in Quebec. There is an agitation for public ownership of power utilities; or, at least, greater regulation of their operations and finances. The net result has been a certain amount of uneasiness among holders of utility stocks, with the result that the majority of utility stocks have declined to low levels or have been inactive. As far as Montreal Power is concerned there appears to be investment buying, because the stock returns a yield of about 5%. It is believed that the Quebec Government is unlikely to take any action which will interfere with the ability of the company to maintain present dividend of $1.50 a share.

Lignite Reserves

The total known lignite reserves of Saskatchewan are estimated at 2,412,000,000 tons with a probable reserve estimated at 57,400,000,000 tons. Two million tons of the known reserve lie in an area of 75 square miles in the Souris Valley around Estevan and Bienfait. More than a million tons of lignite were mined last year in the province.

Our Income Tax Booklet

Provides illustrations of the method of calculating your Personal Income Tax covering the 1937 return of 1936 income.

There is also included in this April booklet a diversified selection of Dominion, Provincial and Corporation Securities.

Copies upon request.

Kindly write or telephone WAverley 3681

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

HAMBLY, PEAKER & TRENT

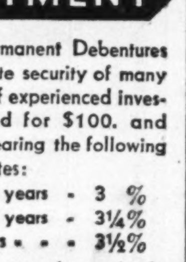
Members

THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING

TORONTO

Telephone ELgin 3294



FOUNDED 1855

A *Safe* REMUNERATIVE INVESTMENT

Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:

for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
for 5 years - - - 3½%

A legal investment for trust funds.

CANADA PERMANENT Mortgage Corporation

HEAD OFFICE: 320 BAY ST., TORONTO

ASSETS EXCEED $68,000,000

PRAIRIE PROVINCES GRANARY OF THE WORLD

MILLIONS of potential dollars wave in the wheat fields of the Prairie Provinces—Manitoba, Saskatchewan and Alberta. Gross value of production in these three Provinces, including agriculture, forest products, fisheries, mining, construction and manufacturing, soars to $644,729,065 annually.

IN 1937, increased prices for agricultural products and other commodities will mean a substantial gain in the purchasing power of the people of the prairies.

IN THE PRAIRIE PROVINCES there are 516,645 homes; 199,977 urban; and 316,668 rural.

AND IN THE PRAIRIE PROVINCES THERE ARE—

213,561 Telephone Subscribers
176,413 Wired Homes
359,757 Owner Occupied Homes
305,266 Licensed Automobiles
282,083 Subscriptions to this group of Magazines

CANADA'S MAGAZINES SELL CANADIANS

HERE is a pleasant prospect for every manufacturer to visualize in relation to his sales . . . a prospect made sales productive by advertising in the national magazines. For the national magazines start their sales-building coverage where it *should* start . . . from the medium and higher income brackets down. It enables your sales message to reach the greatest percentage of buying power available . . . the leaders and financially competent buyers of every community.

NATIONAL COVERAGE . . . yes . . . *and concentrated sales-building coverage of every province as well.* That is why the national magazines of Canada provide the investment paradox of *small* principle and *high* yield . . . the greatest proportionate sales results for the least expended . . . and merit the consideration of every manufacturer sensitive to the possibilities of a truly national market.

National Home Monthly • Canadian Home Journal

Chatelaine • Canadian Magazine • Maclean's Magazine

NATIONAL COVERAGE FROM SEA TO SEA

VISIT GERMANY IN FESTIVAL YEAR

The "Pfalz" in the Rhine

Follow the lure of the romantic Rhine. Stroll along the boulevards of Berlin. Browse in the galleries of Munich or Dresden. Dream in the historic grandeur of medieval picture towns. Take a cure in Germany's fashionable spas. Disport with the sea or in mountain lakes under bright skies and in a perfectly tempered climate.

Black Forest Musicians

All Germany will be keyed to a spirit of gaiety and pleasure for the great music, opera, theatre and picturesque folk festivals this summer.

Bayreuth: the Wagner Festival, July 23 to August 21.

Berlin: Art Weeks, symphony, choir, opera, drama, concerts.

Dresden: International Music Festival, concerts, opera, plays.

Duesseldorf: Exhibition — "Nation at Work", May 8 to October 8.

Frankfurt on the Main: Roemerberg Festival Plays—Goethe, Schiller, Shakespeare in front of historic Town Hall.

Heidelberg: Reich Festival Plays in the courtyard of the famous Castle, July and August.

Munich: Wagner-Mozart-Strauss Festivals, July 21 to August 26.

Many other fascinating events all season throughout the country.

For your personal comfort: modern transportation and homelike accommodation at honest prices. Railroad fares reduced 60%. Travel Marks available far below regular Reichsmark quotations.

Consult travel agent or steamship office or write for information and interesting booklet No. 10E

GERMAN STATE RAILWAYS
INFORMATION BUREAU
67 YONGE STREET - TORONTO

Canadian Pacific Express Travellers Cheques Are World Currency

Carry them on your next trip and be assured of travel comfort.

Get them from any agent of the Canadian Pacific & most Banks

To The Travelling Public:

HOTEL LONDON

London, Ontario

Rates for Rooms as Follows:—

Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.

Soliciting your appreciated patronage,

H. F. STRUCKETT, Manager.

DEEP DRAUGHT STEADY SHIPS

Sailing every FRIDAY

FROM MONTREAL to Plymouth, Havre and London "ASCANIA", "AURANIA" "ALAUNIA", "AUSONIA"

to Belfast, Liverpool and Glasgow "ANTONIA", "ANDANIA" "ATHENIA", "LETITIA"

Popular vessels, offering the full benefits of a sea voyage.

Complete personal service to every passenger.

A high standard of accommodation in all classes.

A cuisine famous throughout the World.

Fares that represent substantial savings in travel costs.

Apply to

CUNARD WHITE STAR LIMITED
DONALDSON ATLANTIC LINE

217 Bay Street (Elgin 3471) Toronto
or see your local agent.

Saskatchewan Tightens Up Frauds Law

Demands Full Details on Offerings in Oil Royalties

From Our Own Correspondent

REGINA.—Saskatchewan has tightened its Security Frauds Prevention Act concerning sale of fractional producing and non-producing oil royalties to such an extent that the broker offering such royalties for sale must provide a complete history of the property involved before the registrar under the act will consent to allow sale to proceed.

Amendment of the act followed the return of A. E. Fisher, registrar from Toronto where he attended a convention of security commissioners. It is believed the Saskatchewan amendments are unique in the manner in which they are applied.

The amendment is in two parts, producing and non-producing containing four schedules, two for the registrar and two for the purchaser of the royalty according to type of royalty.

The broker offering the royalties for sale must deliver a certified copy of a permit granting sales from the registrar in the territory act comparable to that issued under the Saskatchewan act. This applies to offerings from oil areas in the United States such as Montana, royalties from which are appearing in Saskatchewan.

Must Be Producing

The tract concerned must have been actually producing oil in commercial quantity on a date within seven days prior to offering for sale and shall not to the knowledge of the broker have permanently ceased production. Legal description of the tract must be provided by the registrar along with the nature of the lease. All royalties on the property must be stated along with names of owners and the percentages in priority.

Schedule A, returnable to the registrar, calls for the interest or capacity in which the offerer is acting, the amount of royalty revenue the fraction is entitled to, offering price to public, name of producing sand, number of producing wells, possible wells, new wells being drilled and number abandoned, also the value if any, based on possible returns from horizons not yet producing and from undrilled locations. Total production in each of three consecutive months within 60 days of filing, its gravity and present price is also required.

Must Have Plan

A report on ultimate recovery or a valuation analysis by a competent authority must be included along with a dated plan, four inch to one mile, of tract including surrounding area at least a half-mile in all directions, showing depth and location of all wells, producing and non-producing.

Schedule C concerns non-producing royalties and demands a plan similar to Schedule A as well as information concerning the nearest producing tract within two miles. Terms of lease and specific royalty provisions must be given. An opinion as to the validity of the title, signed by a member of the bar, must state briefly the scope of examination on which the opinion is based.

Schedules B and D concern information to be given purchaser of the fractions and contain data outlined in Schedules A and C.

Lumber Cut Is Smaller

Reserves Cleaned Out — Price Increase Substantial

Lack of snow and otherwise unfavorable weather seriously reduced lumbering operations in eastern Canada, according to a review by Canada Lumberman. The cut in British Columbia was also reduced but in this case the reason was extremely low temperatures and too much snow.

Generally speaking practically all reserve stocks of lumber have been cleaned up all over Canada and many yards are short of material particularly seasoned pine. Prices have been advancing rapidly. Prices of good pine, birch, oak and mahogany have advanced by $15 to $20 per thousand in the last few months. While these advances so far have had practically no material effect in curbing building and house-improvement operations, any further considerable increases might be viewed with apprehension.

Public Utility Earnings

Brazilian Traction

February:	1937 Dollars	1936 Dollars	Increase Dollars
Gross earn. ...	2,791,447	2,436,821	354,626
Oper. exps. ...	1,305,236	1,129,009	176,227
Net earn.‡	1,486,211	1,307,812	178,399
Two Months Ended Feb. 28.			
Gross earn* ..	5,711,429	4,892,199	819,230
Oper. exps. ...	2,652,172	2,273,906	378,226
Net earn.†	3,059,257	2,618,293	440,964

‡Before depreciation and amortization.
*From Jan. 1.
†As above from Jan. 1.

Canada Northern Power Corporation, Ltd.

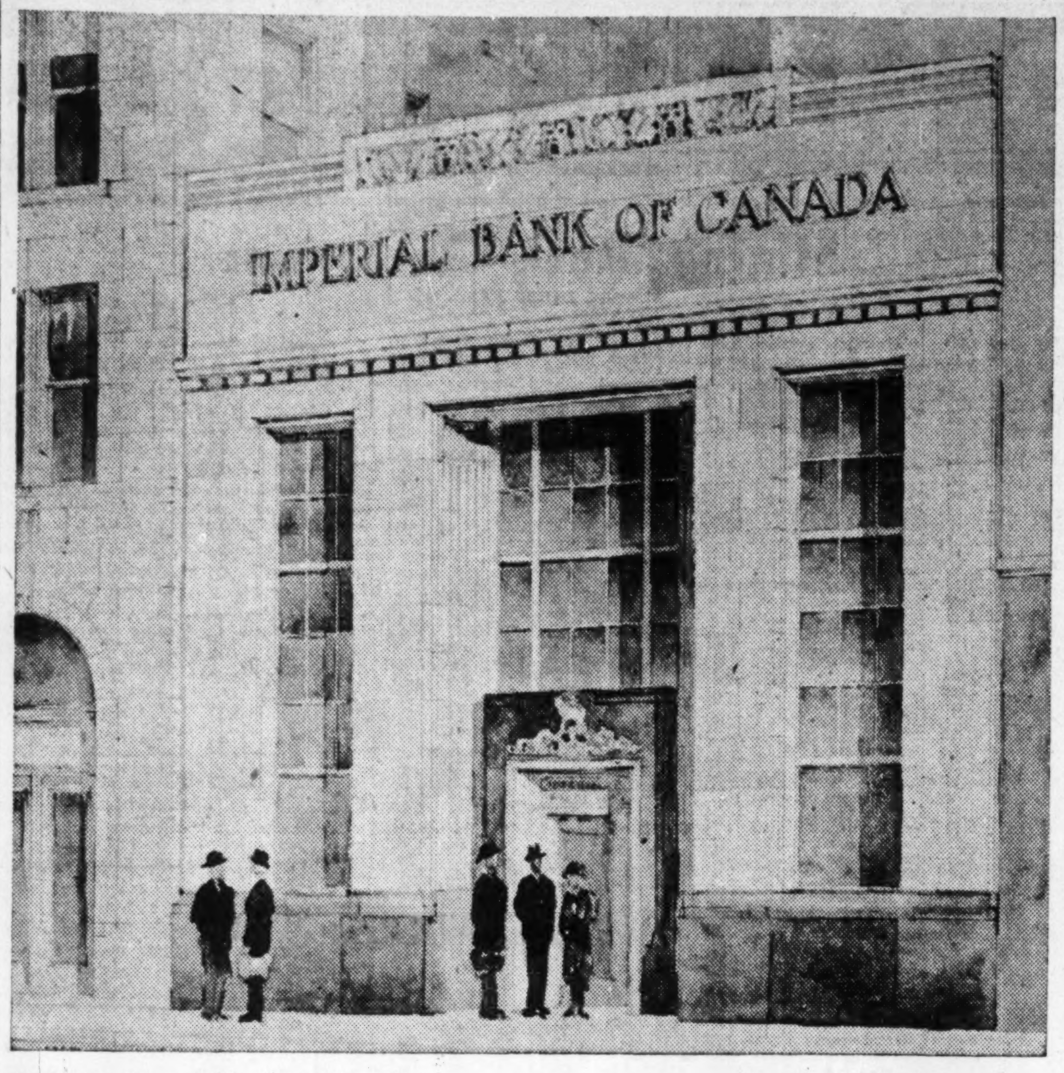
—February—	1937 $	1936 $
Gross earnings	391,088	371,342
Operating expenses ..	161,137	138,427
Net earnings	229,951	232,915
2 mos. end. Feb. 28		
Gross earnings	791,766	755,912
Operating expenses ..	319,771	282,699
Net earnings	471,995	473,213

B. C. Power Corp.

	1937 $	1936 $
February:		
Gross revenue	1,234,197	1,179,897
Oper. expenses	857,830	804,917
Net revenue	376,367	374,980
8 mos. ended Feb.:		
Gross revenue	9,969,091	9,265,132
Oper. expenses	6,833,891	6,233,116
Net revenue	3,135,200	3,032,016

Southern Canada Power
12 Months Ended Feb. 28

	1936 $	1937 $
Gross earnings	2,116,759	2,197,932
Oper. & maint. exps...	631,677	680,044
Taxes	230,517	242,682
Net earnings	1,254,565	1,275,206
Interest, divds., deprec., bad debts	1,295,898	1,305,132
Deficit	41,333	29,926



IMPERIAL BANK BUILDING

Imperial Bank of Canada has let a contract for the erection of a banking office to house the Ottawa branch of the bank, Redfern Construction Company being the contractors. This new banking office will be on the property purchased last year, 62 Sparks Street, at one time occupied by the Bank of British North America and later by the Sparks Street branch of the Bank of Montreal. The frontage is 33 feet and the Sparks Street façade will be practically square (height equal to width) and constructed of Canadian rama marble on polished granite base. The design is conventionally modern.

Statute Bars Duty Rebates

Door Closed on Claims Dating Back to 1931

From Our Own Correspondent

OTTAWA.—To thwart what was called in the Senate "a most dangerous raid" on the federal treasury, consisting of wholesale demands for the return of dump duty collected on shipments of fruits and vegetables, Section 43 of the Customs Act has been amended in such a way as to ensure the legality of collections made by the Department of National Revenue under that section in recent years.

The amendment to the Customs Act disposes of any new claims made upon the department, but fiats have been obtained for two cases which are now before the Exchequer Court, and these are expressly exempted in the amendments to the Customs Act passed last week.

Claims Not Affected

One of the two claims was a currency case, advanced by McCart and Company, Toronto. It is for approximately $1,500. Another action, for about $5,000, is being taken by a Toronto produce company.

These are small in comparison with the total number of demands for refunds which the department has received. Claims amounting to $600,000 have already been filed with the Minister of National Revenue, and if all the dump duty collected on fruits and vegetables under Section 43 of the Customs Act were appealed, the total would be over $2 millions. In addition large sums have been collected in the past under Section 43 on other commodities.

The likelihood of any of these claims now being realized is, of course, extremely remote. One of the considerations which appeared to weigh heavily with the minister and with Parliament was the fact that these sums had almost in every case been passed along to the consumer, and, if refunded by the department, could not be passed along to the consumer who actually paid the tax.

The Department of National Revenue does not propose to leave itself open to old custom claims arising from a mistake in calculating duties when Britain went off the gold standard in 1931. These claims, it is estimated might amount to $2 millions and probably as much more in costs.

An amendment barring action has been approved by Parliament.

When Great Britain went off the gold standard the Canadian dollar was at a sharp discount compared with the United States dollar. An official of the customs department interpreted an order to fix values for duty in terms of American instead of Canadian currency.

Such action resulted in a considerably heavier levy for customs purposes than would have been the case had the Canadian dollar been used for calculations. About a year ago, the Government admitted the justice of claims on this account and two petitions seeking rebates launched then will not be affected by the new statute. Other claims will be barred.

The Minister of National Revenue claims that the increased values have long been passed along to the consumer.

Better Times in Sight For 'Phone Companies

Reduction in Charges is Predicated on Greater Activity

REVISE DIVIDENDS?

From Our Own Correspondent

MONTREAL.—Rate and service reductions put into effect by the Bell Telephone Co. of Canada, resulting in an annual saving to subscribers of about $600,000, are taken to indicate that later in the year consideration will be given by directors to increasing the dividend on capital stock. Similar action is expected to be taken by other of the privately-owned telephone companies.

The major companies anticipate that any reduction in charges this year will be more than offset by increased demand for services, so that the net income position is not likely to be affected.

Recovery Speeds Up

The extent of the recovery from the low point in 1932 is well illustrated by the figures released by the Bell Telephone Co. At the end of 1936, this company's stations in service were still 76,189 below the total in service at the end of 1930, but nearly 50,000 above the low of 1932.

Long distance toll traffic on the Bell system last year was nearly 18% below that for 1930, the peak year, but considerably ahead of the last three years.

Similar stories are told by companies in other parts of the Dominion. In the Maritime Provinces Maritime Telegraph and Telephone Co. has recovered over 56% of the shrinkage in stations which occurred after the depression set in. New Brunswick Telephone Co. reports an increasing number of installations, while in the west, British Columbia Telephone Co. reported a net increase of over 5,000 telephones last year, and a gain in long distance revenue of 8.59%.

Higher Profits Expected

The lack of any major capital expenditures for the immediate future should mean that earnings in relation to capital investment will record a marked increase. Increased operating costs and higher taxes will probably pull down the gain in gross income, but net should increase faster than the gross fevenue.

Another factor to consider in relation to the telephone companies, from the investment angle, is the increased equity earnings on the common stock. With the exception of the Bell Telephone, which is prohibited from refunding its bonded debt until at least 1940, most of the other companies have taken advantage of the cheap money market to obtain lower rate of interest. This has brought about a substantial saving of interest charges and made available a larger percentage of revenues for distribution to the capital stock holders.

Larger Dividends Possible

There are increasing indications that the telephone companies will pay larger dividends to the shareholders if the business recovery continues.

In his report to the shareholders of New Brunswick Telephone Co., F. B. Black stated that while the dividend is still low, the company hopes that better conditions may bring the earnings to a point where the shareholders will again receive a better return for their investment.

In the case of Maritime Telegraph and Telephone Co., the increase in net revenue last year was sufficient to warrant the directors declaring an extra dividend of 1% on the common shares. Payment of a similar bonus for 1937, of course, depends on trend of earnings.

Last year the Bell Telephone Co. earned $6.96 a share on its outstanding capital stock, as against dividend requirements of $6. For many years this company paid dividend of $8 a share and it is anticipated that the distribution will be increased just as soon as possible.

Elect Gairdner Weston Chairman

It is understood that election of James A. Gairdner, Toronto, as chairman of the board of Geo. Weston Ltd. in succession to Bernard E. Smith, New York, reflects liquidation of the latter's shareholdings acquired during the depression. Mr. Gairdner has also been elected a director of McCormick's Ltd. to replace A. E. Kyle, who has resigned.

Mr. Gairdner is president of Gairdner & Co., Toronto investment firm, which has recently distributed both preferred and common shares of the company.

Liquidation of larger American holdings increases the dominance of Canadian investment in the company.

Nova Scotia Steel Miners To Vote on Wage Pact

From Our Own Correspondent

MONTREAL. — North Side Cape Breton coal miners will vote April 21 on a wage increase offered by the receivers-liquidators of Nova Scotia Steel and Coal Co. Miners in the South Cape Breton Co. and Cumberland Co. coal fields have already voted in favor of the increase of 9% and 6%.

The referendum for the North Side Cape Breton coal miners would be on increases of 8% for datal men and 7¼% for contract men. The new contract, if accepted, would run one year.

CRUISE this summer to RUSSIA and THE BALTIC

EMPRESS of AUSTRALIA

Sails from SOUTHAMPTON July 10

20 days... $189 up

BERGEN
ULVIK
EIDFJORD
STOCKHOLM
LENINGRAD
HELSINGFORS
TRAVEMUNDE
COPENHAGEN
SOUTHAMPTON

Five connecting ships from Montreal or Quebec. Trans-Atlantic fares on request.

Visit Russia this Summer —Norway, Sweden, Denmark, Finland and Germany! Your cruise-ship sails from Quebec July 2. A full programme of deck sports and social events. A delightful holiday on one of finest ships ever to cruise the Baltic.

See the pageantry of Great Britain and the Continent in this Coronation-Paris Exposition year.

Cruise folder and full information from your own travel agent or F. F. THOMPSON, Steamship General Agent, Canadian Pacific Bldg., Toronto.

Canadian Pacific

MILD VIRGINIA!

PLAIN OR CORK TIP

ALSO IVORY TIP

British Consols

COSTLIER .. MILDER .. TOBACCOS

Quebec Gold Output Gains

Production of 19 Mines Totals $23.3 Millions For 1936

From Our Own Correspondent

QUEBEC.—Gold output of 666,139 ounces valued at $23,334,849 was reported from 19 mines of the Province of Quebec during 1936, this being an increase in value of nearly $7 millions over 1935 figures.

Eighteen of the 19 mines which produced this tremendous mass of gold are located in the rich western Quebec gold fields, the sole outsider being the Tetrault mine in Portneuf county. The oldest of the western Quebec mines only dates back to 1927.

Over three-quarters of the 1936 gold production came from four mines in the province, Beattie, Lamaque, Noranda and Siscoe.

A comparative table for the year showing the total for each mine, is as follows:

Mine:	Ore extracted tons	Ore treated tons	Gold shipped oz.
Arntfield	68,074	67,880	8,707
Beattie	551,830	551,030	68,582
Candn. Malartic.	121,922	121,922	19,939
Greene-Stabell ..	24,114	21,220	2,328
Lamaque	201,356	201,356	76,488
McWatters	37,375	44,633	16,569
Noranda	2,011,731	2,009,930	340,957
O'Brien	26,616	26,513	20,294
Perron	70,000	52,124	13,304
Shawkey	*	40,615	7,325
Siscoe	182,302	181,177	68,259
Stadacona	17,454	9,116	1,053
Sullivan	76,147	46,032	17,901
Thompson-Cadil.	19,603	14,226	2,378
Other mines	......	......	2,055

*Figures not received.

The 1935 value of Quebec's gold production was $16,558,478.

Eastern Workers Get Wage Boosts

MONTREAL.—Dominion Steel & Coal Corp. and subsidiaries in the Maritimes, Newfoundland and Quebec, announce a 7½% wage increase for all employees. The announcement follows upon the signing of the new wage agreement between the Dominion Coal Co. a Dosco subsidiary, and United Mine Workers.

The 7½% pay boost applied by Dosco and its subsidiaries to about 7,000 employees of the Sydney Steel plant of the Seaboard Power Corp., at Sydney, the Wabana iron ore mines, the limestone quarries in Newfoundland, the Halifax shipyards, James Pender & Co., Saint John, Peck Rolling Mills, Security Fence Co. and St. Lawrence Wire Co., in Montreal, is retroactive to April 1.

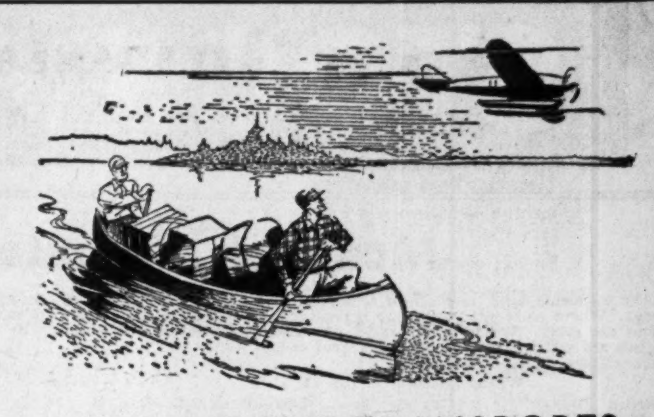
Nova Scotia Steel

MONTREAL.—Nova Scotia Steel and Coal Co. and the Eastern Car Co. announce a 7%½ raise for 1,500 employees of the Trenton plants.

The Car company is controlled by Nova Scotia Steel.

Intercolonial Coal

MONTREAL.—Intercolonial Coal Co. announces a new wage schedule for its 700 miners along the lines of that granted by the Dominion Coal Co.



WHAT ABOUT TRANSPORT?

The most insistent problem confronting the mining engineer in Northern Canada, is that of transport.

Speedy, dependable transport is an absolute necessity from the time when the prospector is first flown in until the first brick is poured. Through all stages—from development to production—deliveries of foodstuffs, equipment, mail and freight must be in accordance with mine requirements.

Why not shelve these problems and enlist the services of specialists in these phases of operations. When making your choice engage the services of a company having adequate resources in equipment—experienced and courteous personnel—radio facilities with which freight movements may be directed and progress reported.

Canadian Airways services measure up to all demands. Canadian Airways executives, with a background of over ten years experience, are fully conversant with the problems involved in northern transportation. Their experience is without equal in this Dominion.

CANADIAN AIRWAYS — The largest air transport company in the Dominion of Canada.

WINNIPEG	MONTREAL	TORONTO
Airways Bldg.	Desbarats Bldg.	217 Bay St.
Phone 201-184	Phone MA. 4231	Phone ELgin 2081

CANADIAN AIRWAYS
BASES Throughout CANADA

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

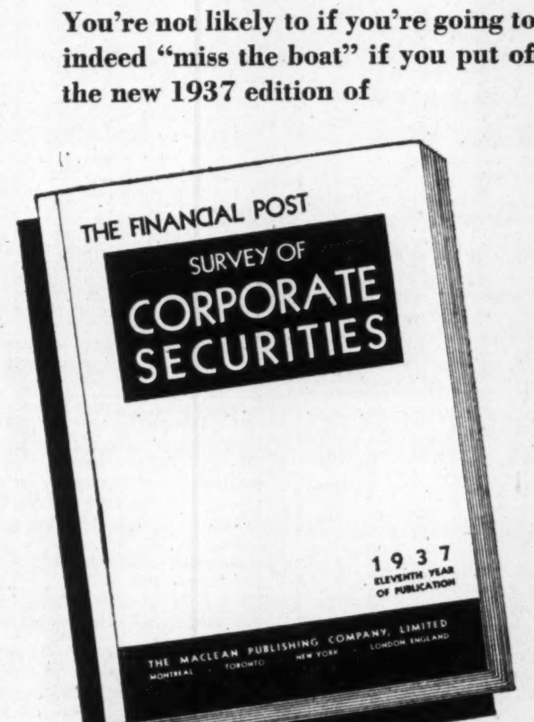
Owning and operating mills at

Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Don't Miss the Boat!

You're not likely to if you're going to the Coronation. But you may indeed "miss the boat" if you put off until too late your order for the new 1937 edition of



So great was the demand for last year's issue of this valuable investors' manual that the entire edition was quickly exhausted. Hundreds of orders received subsequent to publication could not be filled.

This new 1937 eleventh annual edition will be ready for delivery at the end of May. But the number of copies to be published must be determined immediately. Your order will be an important factor in that decision. *Delivery of your copy is guaranteed if we receive your instructions now, in advance of publication.*

This Book Provides complete and up-to-date facts on 1,500 Canadian corporations whose securities are in the hands of the public, including those listed on Canadian Stock and Curb Exchanges and many which are unlisted.

Among the corporations reviewed are Public Utilities, Banking, Rubber, Iron and Steel, Construction, Pulp and Paper, Textile, Real Estate, Oil Refining, Beverage, Investment Trusts, Trust and Loan, Milling, Foodstuffs, Merchandising and Transportation.

In Detail . . .

Facts as to each company's business and properties.
Names of officers and directors.
Balance sheet and income and surplus account for three years.
Price range of stock for past eight years.
Dividend rate, when and where payable.
Capital structure and funded debt.
Funds in which bond interest payable.

Because of the many changes—mostly favorable — in the position of Canadian companies at the end of their last fiscal year, this book is indispensable to investors. Check over YOUR securities with this new information.

Size of book: 12" x 9", about 300 pages; price per copy $2

ORDER NOW

THE FINANCIAL POST,
481 University Avenue,
Toronto, Canada.

Send me postpaid .... copies of The Financial Post SURVEY OF CORPORATE SECURITIES, 1937, at $2 a copy. Herewith $.......... in payment.

NAME ....

307

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 12

Range 1937 High	Low	Div. Rate $	Apr. 10 Yield %		Sales	Last Apr. 5	H	L	Cl'se
3½	1½	.	...	Stop & Shop	....	(75 bid 150 asked)			
17	15½	80c	4.9	Stuart, D. A., p.	275	16½	16	15½	15½
†2¾	2	.	...	Supersilk H.	....	(3½ bid — asked)			
83	80	3.50	4.2	Do. pref.	....	(83 bid 86 asked)			
37	33½	1	2.8	Sup. Pete. ord.	250	35	35	35	35
36	33	1	3	Do. com.	....	(35½ bid 43 asked)			
				T					
16¾	15¾	80c	5	Tamblyn	915	16½	16¾	16	16½
54	52½	2.50	4.7	Do. pref.	....	(52 bid — asked)			
2½	1¾	.	...	Thayers	....	(2½ bid 2½ asked)			
25	19	2.50	...	Do. pref.	60	20	22	20½	20½
2.00	1.15	.	...	Thrift Stores	....	1.15 bid 1.50 asked			
8	7	.	...	Do. pref.	....	(— bid 7½ asked)			
14	10	40c	...	Tip Top Tailors	1180	13	14	13	13½
110	104	7	6.4	Do. pref.	62	109	110	108½	108½
6	2	.	...	Tooke Bros.	8	4	4	4	4
34¾	30	.	...	Do. pref.	....	(30 Mar. 24)			
46	37	1	...	Tor. Elevators	750	45	44¾	42	43
52	49	.	...	Do. pref.	165	49½	49¾	49	49
110	86½	4	4.2	Tor. Gen. Tr.	8	100	95	95	95
126	120	6	4.8	Toronto Mtge.	....	(122 bid 125 asked)			
25	24	2	8.3	United Secs.	....	(— bid 24 asked)			
11½	7½	.	...	United Steel	19280	10½	10½	9	10
				V					
8	4	.	...	Viau Bisc. New	35	5½	5½	5	5½
60	50	4	...	Do. pref.	25	58	55½	55½	55½
				W					
27	22	50c	...	Wabasso Cot.	225	25	25	25	25
49½	45	2	4.3	Walker-Good.	3686	46½	46½	45	45
20	18½	1	5.1	Do. pref.	1098	19½	19½	18½	19½
3½	2½	.	...	Walkerville Br.	780	2½	2½	2½	2½
5	2½	.	...	Waterloo Mfg.	1170	4	4½	4	4
19½	9½	.	...	West. C. Flour	2366	9½	10	9½	10
90	80	.	...	Do. pref.	....	(— bid 80 asked)			
70½	65	2.40	3.4	West. Grocers	....	(70 bid — asked)			
120	115½	7	5.8	Do. pref.	....	(— bid 120 asked)			
18½	16	80+10c	..	Weston Ltd.	2345	17½	18	17	17
106½	99	5	4.8	Do. pref.	42	101	103	101½	101½
8	4	.	...	Windsor Hotel	40	5	5½	5½	5½
23	12	.	...	Do. pref.	....	(12½ bid 18 asked)			
10½	4½	.	...	Winnipeg El. A.	2045	6½	6½	5½	6½
10	4½	.	...	Do. (B)	724	6½	6	5½	5½
44	29	.	...	Do. pref.	210	30	35	29	35
66	53	.	...	Wood, A. & J. p	....	(67 bid — asked)			
85	77	.	...	Woods Mfg., pf.	30	78	77	77	77
				Z					
7½	5½	.	...	Zimmerknit, c.	105	7½	7	6	6
96	92	7	...	Do. pref.	....	(95 bid 100 asked)			

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus 1% paid Jan. 2, and 1% payable Mar. 26, 1937
▲ Capital distribution.

Mining Stock Quotations

WEEK ENDED APRIL 12

Par Val.	Range 1937 High	Low	Company	Sales	Close Apr. 5 (or last)	High for week	Low for week	Close Apr. 12
1	.10½	.06	Afton	12,000	.06½	.07	.06	.06½
No	1.90	1.39	Aldermac	68,483	1.46	1.55	1.39	1.47
1	.04½	.03	Alexandria	41,800	.03	.03½	.03	.03
No	8.75	6.50	Anglo-Huronian	2,593	7.25	7.25	6.50	6.50
1	1.42	.80	Argosy	41,862	.92	.93	.80	.80
1	1.15	.76	Arntfield	22,710	.95	.94	.76	.80
No	.09	.04½	Arno	3,400	.04½	.04½	.04½	.04½
1	.15	.09	Ashley	3,600	.12	.12	.10	.11
1	.27	.09	Astoria Rouyn	114,715	.16½	.18	.15	.16
50c.	.16	.07	Astec	......	.10½	.....	.....	.....
1	.36	.24	Bagamac	76,543	.26	.49	.25	.39
1	1.85	1.15	Bankfield	26,289	1.27	1.30	1.15	1.25
1	.65	.25	Base Metals	34,550	.49	.48	.40	.40
No	1.75	1.30	Beattie Gold	33,325	1.58	1.60	1.40	1.46
1	.65	.40	Beaufor	13,520	.52	.45	.40	.42
1	1.70	1.10	Bidgood Kirk	38,170	1.21	1.34	1.15	1.15
1	.72	.50	Big Missouri	14,729	.57	.57	.50	.56
1	.29	.18	Bobjo	26,53[illegible]	.19	.20	.18	.18
1	1.14	.46	Bouscadillac G.M.	13,500	.75	.75	.67	.68
No	9.00	7.90	Bralorne	2,205	8.55	8.65	8.00	8.05
1	.15	.07	Brasil Gold	1,500	.08	.09	.09	.09
1	.21	.10	Brett Trethewey	31,230	.12	.12	.10	.10½
1	.13	.07	Brownlee	27,150	.08	.08	.07	.07
1	12.50	10.00	Buffalo Ankerite	2,061	11.25	11.50	10.00	10.75
No	.06½	.04½	Buffalo Can.	10,010	.05	.05½	.04½	.04½
5	30.00	26.00	Bulolo Gold	1,175	27.50	28.00	26.00	27.00
No	.23	.10	Bunker Hill	11,300	.16	.17	.14	.17
1	.04½	.04½	Can. Kirkland	2,500	.....	.04½	.04½	.04½
No	2.30	1.57	Can. Malartic	30,003	1.85	1.84	1.60	1.63
1	1.75	1.50	Cariboo Gold	1,450	1.74	1.73	1.60	1.65
1	.47½	.24½	Cartier Malartic	22,450	.29	.30	.25	.28
1	1.66	1.20	Castle Trethewey	15,557	1.30	1.37	1.20	1.26
1	.65	.45	Cen. Cadillac	11,400	.50	.50	.45	.50
1	.31	.10	Cen. Manitoba	29,100	.15	.15	.10	.12
1	5.25	3.20	Cen. Patricia	74,855	4.10	4.15	3.20	3.70
1	.43	.17½	Cen. Porcupine	46,200	.21	.22	.17½	.19
No	1.47	1.00	Chromium	10,650	1.10	1.11	1.04	1.06
No	.06	.03½	Church M. & Mill.	9,500	.03½	.04	.03½	.04
No	.09½	.04½	Clericy	......	(.06 Mar. 23)			
5	10.00	5.50	Coast Copper	1,155	6.75	7.00	6.00	6.00
1	.03½	.02	Cobalt Contact	18,702	.02	.02½	.02	.02
5	3.50	2.95	Coniagas	475	3.00	2.95	2.95	2.95
No	2.14	1.53	Coniaurum	7,254	1.81	1.80	1.53	1.53
1	2.70	1.62	Con. Chibougamau	16,905	1.85	1.89	1.65	1.70
25	100.50	74.50	Cons. Smelters	18,730	86.67	89.50	82.00	85.00
1	2.98	1.10	Darkwater	23,555	1.34	1.33	1.10	1.20
No	51.12	41.75	Dome Mines	31,774	45.00	45.75	41.75	43.50
1	.15	.07	Dom. Explorers	7,000	.08	.08	.07½	.07½
1	1.22	.40	Dorval Siscoe	47,785	.88	.90	.79	.85
1	.15	.05	Duparquet	107,760	.13½	.13½	.12½	.12½
1	2.05	1.20	East Malartic	75,250	1.77	1.82	1.55	1.60
1	3.60	2.32	Eldorado	112,828	3.55	3.65	2.85	3.35
No	12.87	9.20	Falconbridge	7,326	9.85	10.00	9.20	9.30
1	.54	.20½	Federal	139,920	.25	.25½	.20	.21
No	1.58	.95	Francoeur Gold	84,000	1.33	1.40	1.11	1.17
1	.60	.45	Gillies Lake	35,324	.56	.56	.45	.53
1	.30	.16	Glenora	20,400	.18	.18½	.16	.16
No	1.02	.64	God's Lake	27,600	.71	.72	.64	.65
1	.30	.10	Golconda	2,800	.11½	.11½	.10	.11½
1	.49	.34	Goldale	26,750	.38	.38	.34	.36
50c.	.26	.12	Gold Belt	8,700	.26	.26	.24	.26
1	.63	.54	Gold Eagle	14,500	.63	.63	.54	.57½
1	.22	.11	Goodfish	137,780	.20	.21	.16½	.19
1	.63	.18	Graham Bosquet	21,700	.32	.31	.26	.30
1	.57	.23½	Granada Gold	25,128	.36	.39	.33	.34
No	.18	.07	Grandora	5,500	.08½	.09	.08	.09
1	.46	.18	Greene Stabell	......	(.18 Mar. 17)			
1	.18	.10½	Grull Wihksne	500	.11½	.10½	.10½	.10½
1	1.25	.85	Gunnar Gold	21,825	.95	.97	.85	.90
1	.07	.03½	Halcrow Swayze	2,000	.03½	.03½	.03½	.03½
1	3.44	2.05	Hard Rock	25,750	2.40	2.44	2.10	2.15
1	.35	.15	Harker	43,000	.20½	.22	.18	.18
5	15.50	12.75	Hollinger	9,958	13.67	13.87	12.75	13.25
1	.72	.45	Howey Gold	39,270	.46½	.47	.40	.40
No	41.75	32.12	Hudson Bay	12,951	35.12	35.25	32.25	32.75
1	19.25	14.50	Inter. Mining	20	14.50	14.50	14.50	14.50
No	73.25	62.12	Int. Nickel	50,724	67.00	67.75	63.75	65.00
1	.54	.45	Jacola	49,805	.50	.51	.45	.47
1	1.61	1.13	Jack Waite	51,100	1.47	1.48	1.13	1.22
1	2.15	1.25	Jellicoe	59,755	1.56	1.57	1.25	1.30
1	.59	.38	J. M. Cons. Gold	130,525	.41	.47	.38	.45
1	3.30	2.35	Kerr Addison	144,222	2.84	3.00	2.35	2.90
1	.65	.55	Kerr Lake	......	(159 bid 160 asked)			
1	2.65	1.75	Kirk. Hud. Bay	6,550	2.00	2.10	1.90	1.95
1	1.68	.90	Kirkland Lake	532,955	1.66	1.70	1.42	1.60
1	.40	.23	Kirk. Premier	......	(.23½ Apr. 5)			
1	.49	.23	Kirk. Townsite	105,200	.47	.55	.35	.42
1	1.10	.80	Laguna	7,000	.87	.87	.80	.80
1	59.50	55.00	Lake Shore	12,596	55.50	55.62	51.50	52.50
1	.28	.13	Lamaque Contact	31,500	.14	.15	.13	.14
1	1.33	.85	Lapa Cadillac	59,050	1.00	1.10	.95	1.02
1	1.05	.78	Lava Cap	7,700	.98	1.00	.95	.97
1	.30	.18½	Lebel Oro	40,800	.23½	.25	.22	.22
1	.07½	.04	Lee Gold	19,200	.05	.04½	.04	.04½
1	1.35	.80	Leitch Gold	19,200	.86	.87	.80	.82
No	8.40	6.25	Little Long Lac	10,650	6.70	6.75	6.25	6.50
1	8.60	6.25	Macassa	32,195	7.25	7.30	6.70	6.75
1	1.26	1.02	Madsen Red Lake	52,425	1.18	1.19	1.02	1.10
1	.36	.20	Maralgo	61,803	.26	.27	.22	.22½
1	.04½	.02½	Malrobic	27,700	.02½	.02½	.02½	.02½
No	.69	.38	Mandy	8,800	.44	.45	.38	.40
No	.16	.04	Man. & Eastern	71,050	.04½	.04½	.04	.04
1	.44	.14	May Spiers	24,275	.17	.17	.15	.16
5	42.25	37.25	McIntyre	8,545	39.87	39.75	37.25	38.00
1	2.03	1.48	McKenzie R. L.	41,750	1.67	1.67	1.48	1.50
1	.65	.55	McKinley	......	(.64 Mar. 17)			
No	4.85	2.00	McLeod Cockshutt	46,684	2.70	2.70	2.30	2.38
1	.19	.02	McMillan	153,050	.04	.05	.04	.04
No	1.21	.70	McWatters	34,775	1.00	1.04	.80	.93
1	.57	.15	McVittie	177,450	.44	.45	.35	.42½
5	2.00	1.50	Mentor Exp. & Dev.	......	(1.80 bid 2.25 asked)			
No	5.00	3.25	Mining Corp.	10,785	4.20	4.20	3.65	3.80
No	.29	.20	Minto Mines	14,200	.25½	.27	.24½	.25½
1	.08	.03	Moffatt Hall	14,200	.04	.05	.04	.04
1	.88	.50	Morris Kirk	18,010	.53	.52	.50	.50
1	1.97	1.55	Moneta	34,905	1.85	1.86	1.66	1.71
1	.45	.25	Montague	3,100	.35	.40	.25	.25
1	.10	.04½	Murphy	25,100	.05½	.06	.05	.05½
1	1.05	.55	Naybob	16,150	.69	.69	.55	.55
No	.42	.04	Newbec	19,100	.07½	.08	.06	.06
1	1.49	1.00	New Golden Rose	13,700	1.12	1.14	1.00	1.02
1	.05	.02½	Night Hawk Penn.	74,200	.02½	.03	.02½	.02½
5	3.60	2.60	Nipissing	2,370	2.80	2.75	2.60	2.70
No	83.00	69.50	Noranda	16,723	75.50	74.50	69.50	70.00
No	.95	.72	Nor. Canada	28,467	.93	.95	.79	.86
1	.16½	.06	Norgold	6,800	.10½	.10	.09	.09
1	13.25	8.05	O'Brien	51,338	10.75	10.75	8.75	9.60
1	1.28	.72	Omega	86,110	.91	.91	.76	.80
1	.30	.15	Osisko	500	.20	.17	.17	.17
1	2.15	1.45	Oro Plata	15,400	1.75	1.70	1.45	1.45
No	4.05	3.25	Pamour	15,028	3.65	3.65	3.25	3.30
1	1.10	.82	Pandora	19,850	.92	.95	.82	.87
1	.42	.26	Parkhill	15,069	.28	.32	.26	.27
1	.41	.33	Partanen Mal.	57,715	.41	.41	.33	.33
1	3.80	2.85	Pato Cons.	4,200	2.85	3.00	2.85	2.90
1	.46	.23	Paulore	8,100	.29	.28	.24	.24½
1	.06	.03	Pawnee Kirk	33,000	.04½	.04½	.03	.03
1	1.38	.75	Paymaster	85,594	.82	.87	.75	.76
1	6.60	3.15	Pend Oreille	49,605	5.00	5.05	4.20	4.50
1	2.51	1.60	Perron Gold	35,430	1.75	1.80	1.60	1.60
1	.03	.02	Peterson Cobalt	21,500	.02½	.02½	.02	.02½
1	9.20	6.20	Pickle Crow	36,898	7.05	7.25	6.20	6.85
1	6.85	5.05	Pioneer Gold B.C.	3,115	5.25	5.25	5.05	5.10
1	.11	.06	Porcupine Crown	19,000	.06	.06½	.06	.06½
1	2.20	1.55	Powell Rouyn	25,300	1.79	1.80	1.58	1.60
1	4.50	2.80	Premier Gold	16,340	3.10	3.10	2.80	2.91
1	1.47	.97	Preston E. Dome	95,951	1.33	1.40	1.15	1.20
No	1.55	1.40	Prospectors Air's	2,800	1.50	1.51	1.49	1.50
1	.88	.70	Quebec Gold	3,350	.75	.75	.70	.75
No	.48	.10	Quemont	1,500	.13½	.17	.16	.17
1	2.00	1.10	Red Crest	38,205	1.30	1.40	1.10	1.23
1	6.85	4.80	Read Authier	42,400	5.75	5.85	4.80	5.00
1	1.78	.50	Red Lake	98,147	.65½	.67	.50	.50
1	1.35	1.02	Reno Gold	14,150	1.10	1.09	1.02	1.05
1	.22	.11	Reward	50,310	.13	.16½	.13	.13½
1	.16	.06½	Ritchie	34,770	.08½	.09	.08	.09
1	.12½	.06	Robb Montbray	33,100	.06½	.07½	.06	.07
1	.48	.25	Roche Long Lac	277,880	.33½	.39½	.29	.30
1	2.40	1.75	San Antonio	13,902	1.90	1.94	1.75	1.80
1	1.13	.70	Shawkey	63,560	.78½	.80	.70	.70
50c.	.80	.57	Sheep Creek	8,000	.60	.80	.58	.73
1	4.00	2.75	Sherritt Gordon	18,831	3.15	3.20	2.75	2.95
1	6.65	1.10	Siscoe	39,810	5.30	5.30	4.50	4.80
1	2.50	1.45	Sladen Malartic	50,128	1.95	1.95	1.55	1.70
1	2.50	1.60	Slave Lake	8,980	1.80	1.80	1.60	1.71
1	5.50	5.50	South Amer. Gold	......	(4.25 bid 5.00 asked)			
No	.05½	.03½	South Tiblemont	8,500	.03½	.04	.03½	.03½
No	2.90	.90½	Stadacona	576,547	2.40	2.75	2.25	2.45
1	.32	.20½	St. Anthony	22,220	.25½	.25½	.21	.23
No	6.90	4.90	Sudbury Basin	7,711	5.75	5.75	4.90	5.05
1	.40½	.23	Sudbury Contact	36,100	.27	.31	.25	.28
1	.04	.02½	Sudbury Mines	18,400	.02½	.02½	.02½	.02½
1	2.25	1.67	Sullivan Cons.	47,829	1.82	2.00	1.70	1.80
1	4.80	3.70	Sylvanite	22,906	3.95	3.95	3.70	3.75
1	.29	.15	Tashota	34,911	.17	.17	.15	.16
1	6.10	5.15	Teck Hughes	37,100	5.70	5.75	5.15	5.40
1	2.15	1.30	Thomp. Cadillac	72,380	1.54	1.55	1.35	1.38
1	.65	.20	Timiskaming	44,100	.52	.53	.41½	.47
1	4.60	2.95	Toburn Gold	2,157	3.10	3.10	3.00	3.10
1	2.00	1.30	Towagmac	10,615	1.65	1.70	1.35	1.45
1	2.60	.50	Treadwell	300	1.35	1.35	1.15	1.20
No	3.30	2.15	Ventures	48,735	2.75	2.75	2.15	2.25
No	4.65	3.05	Waite Amulet	10,522	3.75	3.80	3.35	3.50
50c	.07½	.04	Wayside	20,425	.04½	.04½	.04	.04
No	.05	.02½	White Eagle	18,500	.03	.03½	.03	.03
1	.30	.19	Whitewater	26,400	.25	.26	.19	.23
1	.17	.07	Wiltsey Coughlan	7,120	.09½	.09	.07	.07
1	.77	.45	Wood Cadillac	63,700	.71	.71	.60	.69
No	8.60	7.30	Wright-Hargreaves	26,001	7.65	7.70	7.30	7.30
No	.53	.28	Ymir Girl	12,600	.36	.35	.30	.31

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close Apr. 5 (or last)	High for week	Low for week	Close Apr. 12
No	.20	.14	Acme Gas & Oil	12,000	.15	.16	.14	.14
1	.57	.35	Ajax	1,900	.40	.40	.35	.40
1	.95	.30	Alta. Pac. Cons.	12,230	.40	.37	.30	.34
1	1.10	.35	British Dominion	200	.35	.35	.35	.35
No	6.55	2.60	Calgary & Ed.	37,505	3.30	3.40	2.85	2.95
1	1.75	.42	Calmont	35,640	.78	.76	.60	.62
No	.95	.24	Common Pete	5,350	.40	.38	.30	.30
No	3.60	.95	Dalhousie	99,923	1.16	1.20	.95	1.02
No	.45	.10½	Eastcrest	5,600	.17	.20	.17	.17½
No	3.35	1.15	Foothills	3,100	1.60	1.45	1.15	1.25
No	1.20	.35	Foundation Pete.	8,600	.38	.39	.35	.37
No	.39	.16	Hargal	200	.23½	.20	.20	.20
No	.90	.15	High Sarcee	39,400	.24	.25	.21	.24½
No	4.05	1.80	Home	25,881	2.05	2.22	1.80	1.99

VANCOUVER STOCK EXCHANGE

OIL STOCKS

Par Val.	Range 1937 High	Low	Company	Sales	Close Apr. 5 (or last)	High for week	Low for week	Close Apr. 12
No	.24	.04½	Baltac	6,800	.09½	.09	.07	.08
1	1.05	.15	Brit. Dominion	2,200	.60	.35	.32	.32
No	6.20	2.35	Calgary & Ed.	4,425	3.30	3.25	2.90	3.10
1	1.84	.43	Calmont	26,598	.77	.70	.59	.64
1	.90	.26	Commonwealth	10,200	.37	.34½	.30	.31
1	.13	.07	Crow's Nest	3,000	.07	.08	.07½	.07½
No	3.55	.94	Dalhousie O.	19,440	1.18	1.13	.94	1.03
No	.24	.05	Deveniah	2,600	.09	.09	.08½	.09
No	.45	.13½	Eastcrest	1,500	.18	.18	.17½	.17½
No	.93	.38	Foundation	700	.40	.40	.38	.38
No	.44	.10½	Freehold	29,600	.13½	.13	.11½	.11½
No	.40	.10	Hargal	6,050	.23	.23	.21	.22
No	.80	.14	High Sarcee	9,000	.27	.25	.22	.23
No	4.10	1.90	Home Oil	5,665	2.05	2.10	1.90	2.00
No	.88	.21	Lowery	6,900	.29	.25	.21	.25
No	.35	.04½	Madison	52,000	.11½	.11	.09½	.10½
No	.50	.15	Marjon Oil	12,000	.24	.24	.20	.20
No	.78	.18	McD. Segur Ex.	25,250	.23	.22	.20	.20
1	1.60	.55	McLeod	490	.70	.65	.65	.65
No	.83	.22	Mercury	40,500	.34	.32½	.30	.31
No	.39	.12½	Merland	1,600	.19	.18	.18	.18
No	.65	.08	Mid-west	......	(.25 Apr. 2)			
No	.65	.18	Mill City Pete	......	(.19 bid ... asked)			
...	.25	.24	Monarch Royal	1,100	.24	.25	.25	.25
1	1.15	.44	Model	2,900	.50	.52	.45	.49
5	.48	.17½	Nordon	4,800	.26	.23	.20	.20
No	4.00	.85	Okalta	8,200	1.50	1.55	1.34	1.40
No	.44	.13	Pacalta Oil	11,000	.20	.19	.17½	.18½
1	1.50	.40	Ranchmen's	13,500	.54	.59	.50	.58
No	59.00	42.00	Royalite	251	47.00	44.00	42.00	42.00
No	3.00	.49	Southwest Pete	......	(.56 bid .75 asked)			
1	.75	.25½	Spooner	......	(.25 bid ... asked)			
No	.72	.16½	United	10,050	.28	.28	.24	.24
No	.38	.05	Vanalta	11,800	.11½	.11	.10	.10
1	3.05	.95	Vulcan	4,750	1.35	1.30	1.21	1.22

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Trail, B. C.	April	McDermid, Miller & McDermid	4%	1957	$63,000	.....	....

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Apr. 13, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 13	Asked	Bid Apr. 6
‡Ass. Tel. & Tel.	5½	'55	86	88	86½
▲Avalon Tel.	5½	'48	101½	...	...
Beauharnois P.	5	'73	62	65	71
‡Bell Telephone	5	'55	110	118	...
‡Do.	5	'57	114½	117½	115½
B. C. Power	4½	'60	96½	99½	97
B. C. Tele.	4½	'61	104	107	104
‡Calgary Pwr.	5	'60	95½	98½	96
†Can. Nor. Pwr.	5	'53	102½	105½	102
‡Dom. Gas. & El.	6½	'45	91½	94½	91½
‡Gatineau Pwr	5	'56	100	103	100½
‡Do., A	6	'41	101	104	101
‡Do., B	6	'41	100½	103½	100½
Gt. Lakes Pwr.	4½	'56	93	96	93
‡Inter. Hydro-E.	6	'44	80	83	79½
‡Inter. Power	6	'57	98	101	98
‡Do.	6½	'57	100	103	100
▲Do.	6	'55	100½	103½	100½
†Maclaren-Que. Power	5½	'61	99	102	97
†Do.	5½	'64	98	101	96
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L. H. & Pr.	3½	'56	97½	100½	97½
†Mtl. Tramways	5	'41	101	104	101½
†Do	5	'55	80	83	80
Nfld. L. & P.	4½	'56	99½	102½	100
Nat'l. L. & P.	6	'49	95½	98½	95½
N. S. L. & P.	4	'57	98½	101½	98
†Ot'wa L.H.&.P.	5	'57	105	108	105
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	103½	106½	103
†Power Corp.	4½	'59	99½	102½	99
‡Quebec Pwr.	5	'68	103	106	103
Saguenay Pr., B	4½	'66	102½	105½	102½
*Do., A	4½	'66	100½	103½	101
†Shaw. W. & Pr.	4	'61	96	99	95½
†Do.	4½	'70	102	105	102
†South. Can. Pr.	5	'55	102	105	102
†West. Pwr. Co.	5	'49	103½	106½	104
‡Winnipeg Elec.	4½	'60	104	107	104
‡Do., A	4	'65	79½	82½	79½
‡Do., B	4	'65	73½	76½	73½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	106	109	107½
Acadia Sugar	4½	'55	102	105	101½
†Alta. Pac. Gr.	6	'46	96½	99½	96½
Asbestos Corp.	5	'42	100	103	100
B. A. Oil	4	'45	101	104	101
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'51	101	104	100
†Canada Paper	4½	'52	95	98	...
Can. Steamship	6	'41	73	76	71
Can. Canners	4	'51	97	100	97½
Can. Bakeries	6½	'45	100	103	99½
‡Can. Inter. Pap.	6	'49	101½	104½	101½
C. P. R.	3½	'51	102½	105½	102½
Do.	4	'49	104	107	105
Do.	4½	'44	101½	104½	102
†Can. Vickers	6	'47	100	103	101
†Consol. Paper	5½	'61	99½	102½	104½
‡Dom. Coal	6	'55	100	103	100
▲Dominion Coal	5	'40	...	...	...
Dom. Sq. Corp.	6	'48	75½	78½	75½
▲Dom. Stl. & C.	6½	'55	110½	113½	113
Dom. Tar	4½	'51	99	102	98½
Dom. Textile	4½	'55	106	109	106
†Donnacona P.	4-4½	'56	84½	87½	84½
†Eastern Dairies	6	'49	85½	88½	85½
†Famous Play.	4½	'51	96½	99½	96½
†Federal Grain	6	'49	100	103	100½
†Fraser Cos.	6	'50	101½	104½	101½
Great Lakes Pap.	5	'55	94½	97½	95½
†Gypsum L.&A.	5½	'48	101½	104½	102
†Gr. Br. & Can. Invest.	4½	'59	87½	90½	88
Hamilton Cot.	5½	'48	103	106	103
Ham. By-Prod. Coke	5	'55	99	102	99
Do.	6	'56	98	101	98½
†Inter. Paper	6	'55	98	99	98½
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	...	...	103
Inter-City West. Bakeries	6½	'50	56½	59½	57
†Kingston Elev.	6	'50	98½	101½	98
Lake St. John P. & P.	5½	'61	101	104	101½
Do.	5	'61	83½	86½	85
†Lond. Can. Inv.	4½	'48	96	99	96½
†Maple L. Mill. (Bundles)	5½	'49	85	88	85½
†Massey-Harris	5	'47	99	102	99
†McColl-Front.	6	'49	102½	105½	102½
†Mercury Mills	5½	'53	78½	81½	79
†Mersey Paper	6	'49	100	103	100
‡M. & O. Paper	6	'45	80	83	82
Mtl. Dry Docks	6	'48	92	95	92
Nat'l Grocers	4	'47	100	103	100
†N. A. Elevators	6	'50	96½	99½	96½
Nor. Ont. Bldg.	6½	'39	99	102	99
†Price Bros.	5	'57	98½	101½	98½
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	...	100
‡Reliance Grain	4½	'52	97	100	98½
†Restigouche Co.	6	'48	113½	116½	112½
Rich. Bay Bldg	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	4½	'51	95	98	95
†Smith, Howard	4½	'51	101½	104½	100½
†Steel of Can.	6	'40	111½	114½	111½
Sterling Coal	6	'40	91½	94½	91½
Stop & Shop	6	'47	73	78	76
*Twin City	5½	'52	82½	85½	85
United Amuse.	5	'56	98½	101½	99
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	94½	97½	94½
Do.	5½	'49	96½	99½	97½
Union Gas	4½	'50	97	100	96½
▲Wabasso Cot.	4½	'51	95	98	95½
†Western Grain.	6	'49	78	81	77
Windsor Hotel	6½	'43	82	85	82
Do	6	'47	42	45	42
Zimmerknit	6	'51	99	102	98

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Apr. 13, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	5.50	6.00
Do., pfd.	5.25	5.50
Acme Farmers Dairy, pfd.	55.00	60.00
Algoma Steel, com.	19.75	20.50
Do., pfd.	85.00	87.00
Andian Nat.	48.25	48.75
Assoc. Tel. & Tel., pfd.	49.00	52.00
B. C. Pulp & Paper, pfd.	70.00	75.00
Do., com.	14.50	17.00
Brandram-Henderson, com.	2.50	....
Do., pfd.	12.25	....
Burns & Co., A	16.00	16.75
Do., B	6.75	7.25
Canada & Dom. Sugar	68.00	69.00
Canada Starch, com.	27.00	....
Do., pfd.	106.00	....
Can. Tube & Steel, pfd.	80.50	....
Do., com.	10.00	10.75
Can. Wire & Cable, pfd.	116.00	118.00
Can. Airways	8.00	9.00
Can. Industries, A com.	245.00	250.00
Do., B com.	244.00	246.00
Do., pfd.	159.50	161.00
Can. Ingersoll-Rand	146.00	....
Can. Westinghouse	69.00	71.00
Chase, A. W., pfd. bonus	26.00	28.00
Claude Neon, Gen. Adv., pfd.	15.00	....
Conduits Nat., com.	5.75	6.00
Crescent Creamery, pfd.	35.50	37.00
Dom. Found. & St., new com.	31.50	33.00
Do., pfd.	98.50	100.00
Dominion Rubber, pfd.	105.50	....
Dominion Woollens, com.	.75	1.25
Do., pfd.	1.75	2.75
Dunlop Tire, pfd.	88.00	91.50
Federal Grain, com.	4.85	5.25
Do., pfd.	49.50	51.00
Goderich Elevator & Trans.	7.50	8.25
Greening Wire, pfd	104.50	....
Guelph Carpet, pfd.	106.00	107.50
Do., com.	26.00	28.00
Hayes Steel Prod., com.	12.00	....
Do., pfd.	8.00	8.75
Highland Dairy, com.	2.00	2.85
Inter City Baking, com.	38.00	39.00
Inter. Met. Indust., A pfd.	103.00	104.00
Lake St. John, com.	67.00	68.00
Loblaw's (U.S.) Units	61.00	....
McCormicks, com.	4.50	5.00
Do., pfd	12.00	14.00
Mercury Mills, com.	1.50	2.25
Moirs, pfd.	42.50	....
Morrison Brass, pfd. bonus	10.50	13.00
Mount Royal Hotel, pfd.	3.50	....
N. Meth. Laund., pfd. bonus	92.00	....
Perfection Pete., pfd.	20.00	24.00
Provincial Paper, pfd.	106.50	107.50
Reliance Grain, com.	12.00	13.75
Do., pfd.	97.50	100.00
Robinson Consol. Cone	9.75	10.25
Ruddy, E. L., pfd.	42.50	47.00
Seal O Sac (Can.)	23.00	25.00
Silverwoods Dairies, pfd.	3.60	4.15
Standard Fuel, com.	7.00	9.00
Do., pfd.	100.50	102.50
Supertest Pet., B pfd.	27.00	29.00
Toronto Carpet, com.	48.00	....
Do., pfd.	50.00	....
United Steel, A pfd.	20.50	21.50
Western Grain, pfd. bonus	10.00	....
Weston (Geo.) Foods (Eng.)	3.15	3.75
Wings Limited	1.50	1.75
Trust and Loan Stocks:		
Chartered Trust	95.00	....
Commercial Finance, com.	2.60	3.00
Guelph Ont. Inv., par $50	48.50	53.00
London & West. Trust	57.00	61.00
Prudential Trust	5.00	....
Sterling Trust	39.00	....
Traders Fin., com.	15.00	18.00
Do., B pfd. bonus	98.00	....
Trusts & Guarantee	32.00	34.00
Insurance Stocks:		
Canada Life	535.00	542.00
Canadian Ins. Shares	15.50	....
Confederation Life, 20% pd.	115.00	118.00
Dominion Fire	135.00	....
Dom. of Can. Gen.	135.00	145.00
Empire Life, 25% pd.	11.50	13.00
Federal Fire, 25% pd.	40.00	....
Fidelity Ins. of Can.	50.00	....
Great West Life	340.00	350.00
Guar. Co. of N.A., fully pd.	291.00	304.00
Imperial Life	365.00	375.00
Manufacturers Life	255.00	260.00
Monarch Life, 10% pd.	23.50	24.50
Sovereign Life, 25% pd.	15.00	18.00
Sun Life Assurance	710.00	725.00
Western Assurance, com.	52.00	57.00
Do., pfd.	40.50	45.00
Theatre Stocks:		
Allens, Kingston, pfd.	65.00	74.00
Do., Parkdale, pfd.	70.00	....
Do., St. Catharines, pfd.	65.50	....
Do., Tor., pfd. bonus com.	29.00	33.00
Loew's, London, pfd.	2.75	3.25
Do, Toronto, pfd.	115.00	122.00
Mansfield Theatre, pfd.	35.00	40.00
Paramount, Kitchener, pfd.	62.00	....
Do., Oshawa, pfd.	90.00	96.00
United Amusement, A	26.50	29.50
Investment Trust Shares:		
Can. Gen. Invest.	10.80	11.00
Can. Int. Inv. Trust, pfd. bon.	110.50	....
Can. Investment Fund	4.70	5.05
Can. Investment Corp.	10.00	10.40
Cons. Div. Std. Sec. Units	22.50	....
Investment Found., pfd. bon.	67.00	70.00
Lon. Can. Invest., com.	5.15	5.50
Sec's Hold. Corp., com.	1.25	2.25
Do., pfd. bonus	25.00	27.00
United Corpns., A	24.50	26.00
Do., B	32.00	34.00
Power Issues:		
Calgary Power, 6% pfd.	90.00	92.00
Can. West. Nat. Gas, pfd.	91.00	93.00
Do., com.	27.00	....
Foreign Power Sec's., pfd.	11.00	13.50
Great Lakes Power, pfd.	98.00	101.00
Inter. Util., $1.75 pfd.	16.50	17.50
Montreal Island Pwr., pfd.	19.00	20.50
New Brunswick Tel., com.	13.50	14.50

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.00	112.00	4.21
Hamilton	5	1950	107.00	110.00	4.00
Montreal	5	1945	102.00	105.00	4.25
Ottawa	4½	1945	105.25	107.25	3.50
†Quebec	5	1959	101.00	103.50	4.75
Saint John	5	1950	109.00	112.00	3.86
Toronto	4½	1955	107.00	110.00	3.73
†Vancouver	5	1950	86.00	91.00	5.95
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Unlisted Mines

Apr. 13, 1937

	Bid	Asked
Alden G.	.32	.33
Albany River	.72	.73
Armitice	.26	.28
Algold	.57	.59
Amm Gold	.30	.35
Arno	.03½	.04
Athona	.20	.23
Arrowhead	.38	.40
Area	.04	.05
Augite	.35	.38
Bailor	.04½	.05½
Bar Lar	.24	.26
Bathurst New	.04½	.05½
Bid'Lamaque	..	.31
B. L. Lac	.05	.06½
Bilmac	.17	.19
Baldwin	.03½	.04
Blanchette	..	.27
Brengold	..	.10
Bousquet	.05	.06
Britcanna	.70	.73
Cal Bcus.	.15	.17
Cal. Flin Flon	.09	.10
Can. Pan.	.14	.15
Can. Kirk.	.03½	.04
Candalaca	.47	.50
Casey Co.	.02	.03
Centrecour	.30	.33
Chesterville	2.50	2.60
Coin Lake	.13	.15
Condor. O.	.07½	.08
Con. Kirk.	.47	.50
Cooke Lake	.44	.48
Cres. Kirk.	.15	.17
Cuniptau	.09½	.10½
Darwin	.26	.29
D. White	.23	.25
Demp Cadillac	.29	.31
Den. Nic'l	.39	.41
Desantis. New	.55	.60
Don Mar.	.24	.26
Doreva	.44	.46
Dunlop New	.11	.13
Electra P.	.19	.21
El Bonanza	.11	.13
Eva Lake	.14	.16
Fleming	.30	.33
Faulkenham	..	.55
Fernland	.21	.24
Franklin	.03½	.03½
Frontier	.19	.22
Garnet	.04½	.05½
Gate Pat.	.12	.15
Gilbec	.04½	.05
G. Range	.05	.06
Goldside	.05	.05½
Gold Gate	.60	.63
Gor. Lebel	.18	.21
Grenadier	.30	.32
Hud. Patricia	.05½	.07
Hyslop	.16	.18
Horseshoe	.06	.07
Hutch. Lake	.20	.22
H. P. Porc.	.32	.35
John Nip.	.05½	.06½
Kath. Lead	.33	.35
Kaw Crow	.15	.17
Kenecho	.14	.15
Kenricia	.75	.80
Kew'Gama	.33	.33
King Kirk.	.04	.04½
Kir-Vit.	.24	.25
Kirk. Hun.	.04	.04½
Kirk. Gate	.20	.23
Kirk. King	..	.18
Lafayette	.04¼	.04½
Lake Geneva	.62	.65
Lamaque	..	8.50
Lardego	.13½	.15½
McC. R. L.	.14	.15
Magnet	.14	.16

UNLISTED MINES—(Continued)

	Bid	Asked
Magnet. C.	.39	.41
Mal. Gold	..	.43
M. McNeilly	.09	.10
Martin B.	1.18	1.22
Margaret	.44	.46
Maritime	.37	.42
Monarch	.20	.22
Matona	.43	.45
Mat. Can.	.16	.18
Moffatt New	.07½	.08½
MacFarlane	.07	.08
McC. Webb	..	.40
McV. Kirk.	.09½	.10½
Mooshla	.59	.62
Mosher	.37	.40
New Rou.	.31	.34
North Shores	.03¾	.04½
Normetal	1.70	1.80
Oklend	.32	.35
Oleary	.17	.18
Opem. Copper	.40	.45
Oriole	.14	.15
Ossian	.07	.08
Osoyoos	.57	.60
Pascalis	.40	.44
Payore	.35	.37
Porc. McN.	.08	.09
Porc. Unit	.11	.13
Porcupine Lake	.36	.39
Por. G. R.	.04	.04¾
Porc. Tri.	.24	.26
P. Rouyn	.15	.18
Pelangio	.26	.28
Prop'ary	2.60	2.70
Que'mar'c	.22	.25
Que. Man.	1.30	1.40
Rajah	.25	.28
Richmac	.56	.58
Ribago	.04½	.05
Roeanor	.18	.21
Ronad	.23	.25
Rouyn Reward	.11	.13
Rubec	.10	.11
Sand River	..	.33
Schreiber	.11	.13
Shenango	.26	.29
Sil. Valley	.16	.18
Skookum	.15	.17
Siscoe Ex.	.38	.41
Smelter	.05	.06
Spooner	.20	.22
Sturgeon River	.40	.43
Springer	.16	.18
Straw L. B.	.20	..
Tonawanda	.09	.10
Uchi. Lake	1.05	1.15
Upper Canada	.79	.82
Valloc	.09	.10
Wascana	..	.30
Williamson	.14	.16
Wesley	..	.20
Westside	.13	.15
West Red Lake	.74	.84
White Horse	.17	.20
Wendigo	.25	.29
Winoga	.24	.26
Woco	.23	.25
Ypres. Cad.	.17	.20
Young Davidson	.14	.17
Big Master	.11	.14

Government Bonds

Dominion of Canada Bonds

Apr. 14, 1937		Bid	Ask.	Approx. Yld.
‡5½	1 Dec. '37	102.50	103.25	.60
2½	15 Oct. '39	101.75	102.50	1.47
4	15 Oct. '39	105.25	106.25	1.49
2	15 Nov. '39	100.75	101.50	1.41
1½	1 June '40	99.75	100.50	1.34
4½	1 Sept. '40	107.50	108.00	2.05
1	15 Mar. '41	97.25	98.00	1.52
5	15 Nov. '41	109.75	110.50	2.57
3	15 Oct. '42	103.00	103.75	2.27
2½	1 June '43	100.25	101.00	2.32
5	15 Oct. '43	110.75	111.50	3.05
4½	15 Oct. '44	108.50	109.25	3.11
▪2½	15 Aug. '45	97.00	97.75	2.81
4	15 Oct. '45	105.00	105.50	▴3.06
4½	1 Feb. '46	108.25	109.00	3.31
3½	15 Oct. '49	100.75	101.50	▴3.27
4	15 Oct. '52	104.00	104.50	▴3.49
3	1 June '55	95.00	95.75	3.31
4½	1 Nov. '56	107.00	108.00	▴3.50
4½	1 Nov. '57	107.00	108.00	▴3.58
4½	1 Nov. '58	107.50	108.25	▴3.61
4½	1 Nov. '59	107.75	108.50	▴3.65
▪3¼	15 Jan. '61	97.00	97.75	3.39
3¼	1 June '66	95.25	96.00	3.46
¢3	Perp. bds.	86.00	86.75	3.46

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	100.50	101.50	2.76
3	15 Dec. '50	94.50	95.50	3.40
3	15 Feb. '53	93.50	94.50	3.45
*4½	1 Sept. '51	110.00	111.00	3.52
*4½	1 Feb. '56	110.00	111.00	3.69
†4½	1 July '57	109.75	110.75	3.74
*4¾	15 June '55	112.50	113.50	3.73
5	1 Feb. '54	113.50	114.50	3.82
*5	1 July '69	113.25	114.25	▴3.38
*5	1 Oct. '69	115.00	116.00	▴3.71

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	100.00	102.00	3.84
†4½	15 Apr. '61	106.00	108.00	3.98
†5	15 Jan. '60	112.00	113.50	4.09
Nova Scotia:				
3	2 Sept. '45	96.00	98.00	3.28
4½	15 May '43	105.00	107.00	3.22
†4½	15 Sept. '52	106.50	108.00	▴3.58
†5	1 Mar. '60	112.50	114.00	4.06
Ontario:				
*3	1 Dec. '51	93.50	95.00	3.43
*4	1 June '62	102.00	104.00	3.75
4½	1 June '50	107.50	108.50	3.70
*4½	15 Jan. '62	108.00	110.00	3.87
5	15 Oct. '48	111.25	112.25	3.68
*5	2 Dec. '60	115.00	117.00	3.90
5½	1 July '46	113.00	114.00	3.73
Ont. Hydro Comm.:				
3½	1 Apr. '47	99.75	100.50	3.44
4¾	1 Jan. '70	113.00	114.00	3.96
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.27
Quebec:				
4	15 Mar. '52	103.00	105.00	3.56
4¼	1 Aug. '58	106.00	108.00	3.71
4½	2 Jan. '63	108.00	110.00	3.88
Alberta:				
4	15 Dec. '54	59.00	62.00	§
†4	1 Dec. '57	60.00	63.00	§
4½	1 Oct. '51	70.00	73.00	§
†4½	1 Oct. '56	61.00	64.00	§
†5	1 Jan. '48	65.50	68.00	§
5	1 Sept. '55	63.00	65.00	§
*5	1 Oct. '59	65.00	68.00	§
†5½	1 Jan. '47	66.00	68.00	§
6	1 Mar. '47	68.50	71.00	§
British Columbia:				
†4	1 Dec. '57	91.00	93.00	4.52
*4½	15 Jan. '51	98.50	99.50	4.55
†4½	1 Oct. '53	96.00	97.00	4.81
†5	15 Jan. '48	99.25	100.25	4.97
5	1 Sept. '53	98.00	100.00	5.00
5½	1 Feb. '45	101.00	102.50	5.10
6	15 Feb. '47	102.25	103.25	5.57
Manitoba:				
4	2 Jan. '50	84.50	86.00	5.52
†4	1 Dec. '57	85.00	86.00	5.09
†4½	15 Dec. '56	87.50	88.50	5.45
†5	15 June '54	92.00	94.00	5.54
*5	2 Dec. '59	94.50	96.00	5.30
5½	1 Oct. '55	92.00	93.50	6.09
6	1 Apr. '47	95.50	97.00	6.40
Saskatchewan:				
4	15 Aug. '53	79.50	81.00	5.80
4	1 Nov. '60	77.00	78.00	5.69
*4½	2 July '45	87.00	89.00	6.22
†4½	1 Oct. '51	89.00	90.00	5.51
†4½	15 Mar. '60	84.50	86.00	5.59
5	1 Aug. '58	86.00	87.50	6.05
†5½	15 Nov. '46	91.50	93.00	6.50
5½	1 Oct. '52	90.00	91.00	6.42
6	15 Mar. '52	94.50	95.50	6.47

*Payable Can., N.Y. & £. ▴Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y ‡Exempt from Dominion income tax. ¢Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. •Calculated to maturity, although callable prior to that date.

Mining Dividends

	Rate	Close Apr. 12	Yield %
Anglo-Huronian	20c	6.50	..
Beattie Gold	†5c	1.46	..
Bralorne	40c+15c	8.05	..
Buff. Ankerite	50c	10.75	4.6
Bulolo Gold	‡1.40	27.00	..
Cariboo	10c	1.65	6
Central Patricia	4c	3.70	..
Coniagas	12½c	2.95	..
Cons. Smelters	$1+$1	85.00	..
Dome Mines	$2+$2	43.50	*9.1
Falconbridge	30c	9.30	3.2
Hollinger	65c+45c	13.25	*8.3
Howey Gold	2c	.40	..
Hudson Bay	$1	32.75	..
Island Mountain	‡10c	.90	..
Int. Coal & Coke	‡1c	.21	..
Inter. Nickel, c.	$2	65.00	3
Inter. Mining	15c	14.50	..
Kirk. Lake	‡3c	1.60	..
Kerr Lake	5c	.62	..
Lake Shore	$4+1	52.50	*9.5
Lava Cap M.	2c+1c	.97	..
Little L. Lac	30c	6.50	..
Macassa	15c	6.75	2.2
McIntyre	$2	38.00	5.2
McKenzie R. Lake	6+1c	1.50	..
McKinley Sec.	2½c	.64	..
McWatters Gold	5c	.93	..
Noranda	$3	70.00	4.2
Nor. Can. Mining	2c	.86	..
Nipissing	50c	2.70	..
Premier	12c+1c	2.91	*4.4
Pioneer, B.C.	40c	5.10	..
Pickle Crow	§20c	6.85	..
Reno	‡2c	1.05	11.4
San Antonio	14c	1.80	..
Sheep Creek	8c	.73	10.9
Siscoe	20c+1c	4.80	*4.3
Sudbury Basin	10c	5.05	..
Sylvanite	20+5c	3.75	*6.7
Teck-Hughes	40c+5c	5.40	..
Toburn	8c	3.10	2.5
Ventures	2½c+2½c	2.25	..
Wright-Harg.	•40c+20c	7.30	*8.2
Ymir Yankee Girl	5c	.31	..

‡Interim †Initial.
*Yield includes bonus.
•Includes 10c interim paid Feb. 1.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

Winnipeg Stocks

(Transactions from Apr. 5 to Apr. 10)

	Sales	High for period	Low for period	Close Apr. 10
B. & M. Synd.	50	4.00	4.00	4.00
Cres. Cream., p.	5	37.00	37.00	37.00
Cryderman	1,000	.03	.03	.03
Can. Rand.	500	.04	.04	.04
Can. Fire	15	77.25	77.25	77.25
Federal Grain	600	5.00	5.00	5.00
Flin Flon	4,900	.15	.14	.14
Dom. Envelope	35	3.12	3.00	3.12
Flintoba	2,000	.02¼	.01¼	.01¼
Globe Royalties	600	.18	.18	.18
Gt. Falls M.	5,850	.19½	.15	.19½
Gold Lake	1,500	.05¼	.04	.04
Gurney Gold	6,900	.52	.42	.43
Kingfisher	2,500	.01¼	.01¼	.01¼
Herb Lake	1,005	.21	.21	.21
Knee Lake	3,000	.03	.02¼	.02¼
Marvel Oils	1,600	.15	.09	.09
Northern Mort.	30	2.00	2.00	2.00
Optic Lake	90	.70	.70	.70
Oro Grande	4,600	.07¼	.07	.07
Packsack	6,800	.18	.15	.17
Rice Lake	1,700	.02¼	.02¼	.02¼
Rice Lake Syn.	100	1.00	1.00	1.00
Sachigo	260	19.50	18.50	18.50
Star Lake	9,000	.02¼	.02¼	.02¼
United Grain	72	11.00	10.00	10.00
Vanson Man.	500	.01¼	.01¼	.01¼
Wpg. R. Tin	13,400	.02¼	.02	.02¼
Wallace Lake	500	.03	.03	.03
Wylie Dom.	3,800	.40	.35	.35
Wingold	10,000	.08	.06	.08
West. Brew.	100	1.30	1.30	1.30
Wings	200	1.70	1.65	1.65

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Home Invest.	20	..
Northern Can. Mtge., pf.	3	..
Traders Bldg.	92	96

*Stocks more active on other exchanges not included

Listed Bonds

Week Ended Apr. 12, 1937

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	50¼	50¼	50¼	50¼

Winnipeg Shows Drop in Building

Building permits issued in Winnipeg for the first quarter of 1937 total 82 against 77 in the same period of last year, but the aggregate value of $83,200 is under that of $94,750 reported in the corresponding period of 1936. Contemplated building this season includes three new apartment blocks, depending on successful financial negotiations by the intending builders.

Lake Geneva Plans Activity

Annual Report Shows New Financing Arrangements

From Our Own Correspondent

SUDBURY.—Work is well under way at the property of Lake Geneva Mining Co., in Hess twp., northwest of Sudbury. It is expected to make good progress in rehabilitating the plant and getting operations under way at the 100-ton mill which was constructed seven years ago and never used.

In the annual report to shareholders issued recently, James J. McFadden, president, reviewed the financing arrangements that had been perfected to permit of renewal of operations. Towagmac Exploration Co. has advanced $25,000 until such time as funds are available from the sale of 250,000 shares offered to shareholders at 50 cents per share. The capital of the company was increased by 500,000 shares for the purpose of providing the new funds.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, pf.	$1.37½	May 1	Apr. 20
Beatty Bros.	$1.50	May 1	Apr. 15
Brewing Corp.	37½c	Apr. 15	Mar. 31
B. C. Power, A	45c	Apr. 15	Mar. 31
Bell Telephone	$1.50	Apr. 15	Mar. 23
Bralorne Mines	10c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Brant. Cordage, pf.	32½c	Apr. 15	Mar. 20
Brewers & Distil.	•40c	May 20	May 1
Do., bonus	•10c	May 20	May 1
Bruck Silk	10c	Apr. 15	Mar. 30
Calgary Pwr., pf.	$1.50	May 1	Apr. 15
Candn. Bronze	37½c	May 1	Apr. 20
Do., pfd.	$1.25	May 1	Apr. 20
Can Iron Fd., pf.	$2.50	Apr. 30	Apr. 15
Can. Fair.-Morse	$1.50	Apr. 15	Mar. 31
Can. Indus. A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Candn. Gen'l. Inv.	12½c	Apr. 15	Mar. 31
Can. Nor. Power	30c	Apr. 26	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Celanese of Amer., part. pfd.	$3.50	June 30	June 15
Cosmos Imp., pf.	$1.25	Apr. 15	Mar. 31
Consol. Press	25c	May 1	Apr. 5
Dome Mines	50c	Apr. 20	Mar. 31
Do., extra	$2	July 20	June 30
Dom. Textile, pref.	$1.75	Apr. 15	Mar. 31
Goulds Pumps, pf.	$2	Apr. 15	Apr. 1
Gt. Lakes Pw., pf.	$1.75	Apr. 15	Mar. 31
Highland Dairy, pf.	$1.75	Apr. 2	Mar. 24
Hollinger Cons.	†5c	Apr. 22	Apr. 8
Do., extra	5c	Apr. 22	Apr. 8
Humberstone Shoe	50c	May 1	Apr. 15
Hydro-Elec. Sec.	20c	May 10	Apr. 20
Inter. Nickel, pfd.	$1.75	May 1	Apr. 1
Imperial Bank	$2.50	May 1	Mar. 31
Inter. Milling, pf.	$1.25	Apr. 15	Apr. 3
Inv. Found. p.	50c+75c*	Apr. 15	Mar. 31
McColl-Front., pfd.	$1.50	Apr. 15	Mar. 31
McKinley Min. Sec.	2½c	June 1	May 15
Montreal L. H. & P.	37c	Apr. 30	Mar. 31
Montreal Tel.	80c	Apr. 15	Mar. 31
Montreal Tram.	$2.25	Apr. 15	Apr. 5
Nat. Biscuit, com.	40c	Apr. 15	Mar. 12
Orange Crush, pf.	35c	May 1	Apr. 15
Power Corp., pfd.	$1.50	Apr. 15	Mar. 31
Do., 2nd pfd.	75c	Apr. 15	Mar. 31
Premier Gold	3c	Apr. 15	Mar. 12
Do., extra	1c	Apr. 15	Mar. 12
St. Lawrence Flour	25c	May 1	Apr. 20
Do., pfd.	$1.75	May 1	Apr. 20
South. Can. Pwr., c.	20c	May 15	Apr. 30
San Antonio	7c	Apr. 20	Apr. 1
Sheep Creek	2c	Apr. 15	Mar. 31
Smith, H., Pap., pf.	$1.50	Apr. 15	Mar. 31
South. Can. Pwr., p.	$1.50	Apr. 15	Mar. 20
Saguenay Pwr., p.	$1.37½	May 1	Apr. 15
So. Am. Gold	10c	Apr. 23	Apr. 18
Steel Co. of Can., c.	43¾c	May 1	Apr. 7
Do., pf.	43¾c	May 1	Apr. 7
Sullivan Cons. M.	2½c	June 15	June 1
Tuckett Tobacco, p.	$1.75	Apr. 15	Mar. 31
United Corp.	▴75c	May 15	Apr. 30
United Steel	75c	May 1	Apr. 15
United Distillers	10c	Apr. 15	Mar. 31
United Sec.	50c	Apr. 15	Mar. 26
West. Grocers	60c	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20

†Payable every four weeks, 13 payments per year. Subject to ratification at meeting. •Apr. 29, 1937. ▴On arrears.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.70	5.05
Can. Invest. Fund	4.80	5.05
All Can. Trustee	15.00	15.50
Trans-Canada	....	15.60
Grouped Income	6.68	7.30
Can. Equity	13.25	....
Can. Int. Tr., modified	6.25	6.75
Do., unmodified	5.75	6.25

DIVIDEND NOTICES

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1937.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1937.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1937.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, April 12, 1937.

Poorer Wheats Grow in North Enquiry Told

Use Less Low Protein Garnet Is Now Suggested

From Our Own Correspondent

EDMONTON. — The outstanding feature of the grain commission sittings at Edmonton was a discussion by University of Alberta officials of the low protein content of northern grown wheat as compared with the higher quality product of the south. Further discouragement of the growing of Garnet wheat, which is characteristically low in protein was recommended.

It was stressed that northern grown wheat in any event will tend to lower the average quality of the whole western crop.

Several farmer witnesses protested against any compulsion either to join pools or to make use of a Government board. But the really controversial features of the commission are not expected until the Calgary sittings commencing on April 19, when wheat pool and stabilization operations are to come under examination.

Commodities

Reactionary tendencies in commodity prices are following the recent general advance in price levels but most commodities are still considerably above price levels of a year ago. Foodstuffs, including wheat, show declines in latest figures, as well as copper and cotton. Speculative activity is reflected in copper price movements and the decline in wheat quotations.

Comparative figures follow:

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$9.00	$9.75	$6.25
Hogs	9.50	9.50	9.10
Copper, lb.	.15½	.17	.09¼
Cotton, lb.	.1453	.1506	.1169
Rubber, lb.	.2444	.2622	.16
Sugar, raw, lb.	.0343	.0345	.0375
Silk, lb.	2.24	2.22	1.71
Wheat (Man.) bu.	1.42⅞	1.49¾	.90½
Coffee, lb.	.08⅞	.09⅛	.06⅜
Hides	.16½	.16½	.11

Weekly Indices

N. Y. Annalist	145.2	145.7	124.0
Fishers'	94.5	94.7	82.5
N. Y. Journal of Comm.	92.4	92.9	79.6
Crumps (Brit.)	83.9	84.3	68.4
U. S. Labor	88.3	87.8	79.2
Canada (D.B.S.)	86.9	86.3	72.1

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Feb.)	81.8	81.6	80.1
W'sale (Feb.)	82.9	81.3	72.5
United States (Mar.)	143.5	139.4	124.9
Gt. Brit. (Jan.)	102.9	100.8	91.8

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. Basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

Packsack Mines Finds New Valuable Shoot

Since line drifting was discontinued in March at the property of Packsack Mines in the Rice Lake section of Manitoba, 60 ft. of drifting has been done on the 250-ft. level, with practically every face showing free gold. H. R. Drummond-Hay, president, told shareholders at the annual meeting of the company in Winnipeg recently.

The drifting is all in ore, making continuous ore for 110 ft. The vein was erratic in direction, and it was difficult, Mr. Drummond-Hay stated, to form any conclusion as to ore qualities.

Packsack, in its recently issued annual report, showed current assets of $17,852 against current liabilities of $2,510, as at Dec. 31, 1936. Since that date, the optionees paid into the treasury $62,500. On Feb. 1, 1937, the company had no current liabilities and $79,333 in the bank, with 1,413,744 shares in the treasury, unissued, out of its three million shares authorized capitalization. Options are outstanding on 1,410,000 shares of its unissued shares.

Yama Gold Mines Makes Offering

Yama Gold Mines, a new incorporation, is currently offering 125,000 shares at 30 cents per share.

Yama Gold Mines has an authorized capitalization of 3.5 million shares, par value $1. Vendors' stock, amounting to 1.1 million shares is pooled. As of April 5, 1937, 290,005 shares are issued for cash.

The company owns three properties, one in the east Kirkland Lake district and two in the Larder Lake district. Development of these groups will be under the direction of Mining Research Corp.

Officers and directors of Yama Gold Mines are R. R. Murdock, pres.; A. C. Smith, vice-president; G. G. Findlay, sec'y-treas.; Norman E. Davidson and Stanley Harpham, directors, all of Toronto.

The offering is being made through Gold & Metals Exploration Co.

United Steel Corporation Limited

Preferred Dividend No. 1

Notice is hereby given that a dividend of 75c per share has been declared on the Class "A" Preference stock of this company, payable on the 1st of May, 1937, to shareholders of record at the close of business on the 15th day of April, 1937.

By order of the Board.

SALTER A. HAYDEN,
Secretary.

Toronto,
April 6th, 1937.

A. J. Pattison, Jr. & Co. Limited

Established 1907

For thirty years we have rendered a Standardized Service to BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS IN BUYING AND SELLING INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS

Royal Bank EL. 5101 TORONTO

Week in Wheat

Improved Crop Outlook Makes Markets Nervous

Rain in Spring Wheat Areas of Canada and United States — Is Russia Out of Picture?

From Our Own Correspondent

WINNIPEG.—Market weakness early in the week was largely based on improved crop prospects for North American production, namely in the spring wheat belt. Reasonably good seeding conditions in the northwestern states, and prospects for rain in Canada were noted. Seeding is well under way south of the boundary, and in parts of western Canada, especially in northern Alberta, spring work is now beginning well ahead of last year.

Russian Failure?

Eagerness of Russia recently to establish dollar credits abroad, is interpreted in some circles as indicating a possible failure of the Soviet wheat crop this summer. As a considerable portion of the Russian wheat is of the winter variety it should soon be possible to determine whether or not this has successfully survived the winter.

While advices from Great Britain deprecate any suggestion of famine if there is a Russian shortage this season, there is little hope of the world making much progress in rebuilding badly depleted reserves. Even with a resumption of moderate Russian exports and fair-to-good crops in both United States and Canada, indicated supply of new wheat this year would not be more than sufficient to meet current demand and replenish reserves to normal.

Europe Worried

Major bullish influences in the wheat market continue to come from overseas, and major bearish factors from the United States. Europe is impressed by the exhaustion of wheat reserves, by the unexpectedly large imports during the current year of various continental countries, and by the possibility of a poor domestic harvest this year as a result of too much spring rain.

United States, on the other hand, finds it hard to believe in continuance of present high wheat prices into another year. Very low home production for the past two years has held American prices higher than export levels, with the result that millions of bushels of wheat, nearly all from Canada, have been imported.

Now the country sees in prospect a wheat crop that will, in all probability, yield a large export surplus. It accepts the idea that Kansas City, Pacific Coast, and probably Chicago markets will have to be below Liverpool by a sufficient margin to enable exports to move with fair regularity once a new crop is harvested. And the country finds it hard to believe that under such conditions wheat prices might actually be higher than when the United States was on an importing basis. Consequently, Chicago has been reluctant to follow advances elsewhere.

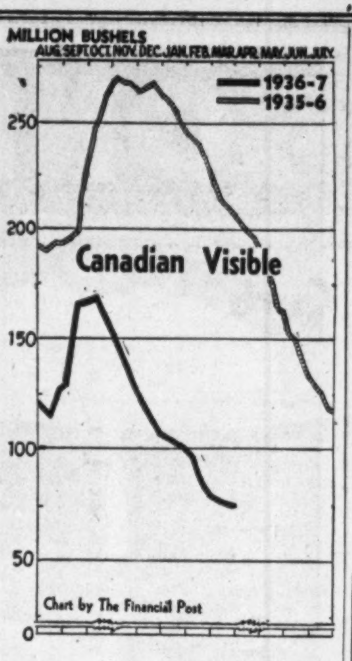
U. S. Surplus

But, having once accepted the likelihood of an export surplus, the United States market was not disturbed last week when the Government report was issued, indicating production of winter wheat, on the basis of April 1 conditions, at 656 millions. This would be higher than normal domestic requirements and is additional to a spring wheat crop which may run into 250 millions. If production of all wheat were likely to balance closely with home needs, a comparatively small quantity, more or less, might be highly significant for the price level. As things are, the excess will become part of the world supply, and not simply part of the supply of the United States.

Argentine Corn

Although the Argentine corn crop is estimated to fall not far short of that of last year, the exportable surplus is put at 75 million bushels lower, or 292 million bushels as against 366 million bushels last year. The difference is due to the decline in carryover which from the enormous corn crop harvested in 1935 was large at the beginning of last year. Normally, Argentine surplus finds its market almost altogether in continental Europe with comparatively small shipments to other countries.

During the past year, however, the United States has absorbed some considerable quantities and during the coming six months, owing to the great shortage of U. S. corn, such exports are expected to increase largely. Canada also has increased considerably her takings of Argentine corn. Normally, some millions of bushels are fed to livestock in eastern Canada and a limited quantity to poultry on the Pacific Coast. This year, however, fairly large quantities are being distributed to Alberta and a number of carloads have found their way into Saskatchewan.



GRADUAL LIQUIDATION

At the present rate of export shipping for the remaining 16 weeks of the current crop year, Canada would have a wheat carryover of approximately 50 million bushels next July 31. But it is generally expected that present exports of slightly under two millions per week will be considerably stepped up in the near future now that the main rush of Argentine exporting is passed. Visible supply of Canadian wheat in store last week was close to 80 million bushels.

Details in bushels are as follows:

Week of April 9	Week Previous	Last Year
80,777,000	82,366,000	200,588,000
Export Clearances*		
Week of April 9	Week Previous	Last Year
1,651,108	1,765,732	2,285,876

*Plus U. S. imports.

Flour Export Off in March

Wheat Volume Also Declines But Values Are Higher

Last month was the poorest March in several years from the standpoint of flour export volume. Though showing a fair gain over February total was down almost 100,000 barrels from the same period a year ago. Prices which averaged more than $1.25 per barrel higher, however, brought the value of last month's trade well over anything in the last five years. Total for the year ended March, 1937, was also considerably better than in recent years.

Wheat exports for the same month were down considerably from March a year ago. Canada has now largely liquidated its wheat surplus and since the beginning of the year the Argentine has been busy marketing a fairly heavy crop. A year ago, Canada's leading wheat exporting rival had only a light harvest to sell.

Details of flour and wheat exports are as follows:

FLOUR EXPORTS

March	Average Price	Barrels	Total Value
1937	$5.59	390,315	$2,183,272
1936	4.17	476,773	1,991,684
1935	3.75	497,468	1,867,903
1934	3.44	493,327	1,700,063
Feb., 1937	5.45	347,884	1,897,241
12 Months Ended March			
1937	$4.52	4,771,007	$21,587,038
1936	3.98	4,858,947	19,382,617
1935	3.72	4,936,827	18,386,040
1934	3.51	5,619,937	19,729,782

WHEAT EXPORTS

March	Average Price	Bushels	Total Value
1937	$1.33	4,748,599	$6,329,472
1936	.77	13,146,185	10,239,350
1935	.83	8,906,379	7,457,828
1934	.68	10,103,240	6,945,136
Feb., 1937	1.29	5,362,031	6,926,695
12 Months Ended March			
1937	$0.98	227,996,513	$223,461,009
1936	.82	179,124,180	148,576,975
1935	.79	165,701,983	132,441,685
1934	.67	175,534,255	118,969,445

Moisture Scant In Saskatchewan

With No Reserve in Subsoil, Spring Rains Are Essential

From Our Own Correspondent

REGINA. — An example of lack of subsoil moisture in western Canada is reported from the Indian Head experimental farm where W. H. Gibson, superintendent, reports actual tests reveal the soil to be drier than at any time in the history of the station. This experimental farm is more than 50 years old.

Mr. Gibson reports there has been very little snow run-off and sufficient only to moisten the top soil. Good spring rains will help, but absence of deeper reserve moisture will necessitate regular rainfall this summer to benefit the crop.

Tests indicate the soil is dry to a great depth.

Twelve inches of rain is sufficient to grow a crop on the prairies, but the rate of evaporation must be considered. The Swift Current station comparing data of three stations finds that with Lethbridge station precipitation at 15.6 inches, evaporation was 24.9%; Manyberries rainfall 11.31 inches with 33% evaporation and Swift Current rainfall at 15.31 inches with 27.7% evaporation. Evaporation is one of the factors determining success or failure of a crop. Low evaporation is an essential for good crops. High temperatures, winds and low humidity are three worst causes of evaporation.

Present Argentine Crop Only Moderately Good

Second official estimate of Argentine's wheat crop now being marketed is 248 million bushels. This shows little change from the first official estimate of some time ago, but is far above the 141 million bushel crop of last year. Compared with the five-year average of 244 million bushels however, the recent harvest can only be described as moderately good.

Because of the small crop harvested last year, stocks of old crop wheat amounted to only seven million bushels as of Dec. 31, 1936, and were entirely utilized before the beginning of January when a considerable amount of the new crop had also been exported.

Domestic requirements of the Argentine are estimated at almost 100 million bushels leaving a surplus of approximately 146 million. Of this about 100 million bushels had been exported to Europe up to the end of March. In addition to supplying Europe with a great deal of wheat Argentina is practically the sole outside source for Brazil shipments which go on through practically every month in the year. It is not expected that there will be a great deal more wheat available for European buyers from now on unless this old established, exclusive and neighboring market is overlooked in the last half of the current year.

Canadian Inter. Paper Raises Papermakers' Wage

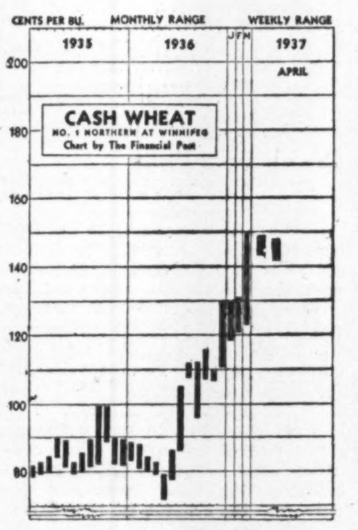
From Our Own Correspondent

MONTREAL.—Employees of Canadian International Paper Co. and subsidiaries in New Brunswick and Newfoundland have been granted a wage increase of two cents per hour, to become effective May 1 and a promise of a further increase understood to be 2% as from Jan. 1, 1938.

Mills affected by the increase are those at Gatineau and Three Rivers, and Quebec, and at Dalhousie, N.B., and Corner Brook, Newfoundland.

After the end of this month the basic rate for papermakers in Quebec will be 40 cents an hour.

Wheat Prices



(Cash Quotations)

	For Week Apr. 13 High	For Week Apr. 13 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.48⅜	1.41⅝	1.50¼	1.45¾
1 Northern	1.48⅛	1.41⅜	1.49¾	1.45
2 Northern	1.45¾	1.38⅝	1.48	1.43½
3 Northern	1.42⅝	1.35⅛	1.45	1.40½
4 Northern	1.38⅛	1.31⅛	1.41	1.36½
5 Wheat	1.29⅝	1.23⅛	1.32½	1.28½
6 Wheat	1.21⅝	1.15⅛	1.26⅛	1.22½
Feed Wheat	.94⅝	.88⅛	1.21¼	.95½
Vancouver: Week to Apr. 12:				
1 Northern	1.45¾	1.38⅝	1.49	1.44

Competitive Export Prices:

May shipments—	Week to Apr. 10 High	Low
No. 1 North. (afloat)	1.73¾	1.69⅝
No. 1 North. (Atlan.)	1.69⅞	1.49½
No. 2 U. S. Hard*	1.50⅞	1.47⅜
No. 2 North. (Atlan.)	1.69⅛	1.63⅞
West Australian (afloat)	1.56⅝	1.52¾
Australian	1.53⅞	1.50½
Argentine Rosafe‡	1.54⅝	1.52¾
Indian (new crop)†	1.51⅝	1.47⅜

†June shipment. ‡June. *August.

Winnipeg Grain Futures

Week to Apr. 13, 1937

Crop year from Aug. 1, 1936 High	Low		Open Apr. 7	High for week	Low for week	Close Apr. 13
		Wheat				
1.51⅝	1.05⅝	May	1.47⅜	1.49	1.39¾	1.41⅛
1.47	1.03¾	July	1.42½	1.44¼	1.35	1.35½
1.31¼	1.04⅛	Oct.	1.25½	1.27½	1.19¾	1.21
		Oats				
.63⅜	.42¼	May	.60¾	.61⅛	.58¼	.59
.60¾	.43⅝	July	.58¾	.58⅞	.55⅛	.55⅞
.54¾	.49¾	Oct.	.53⅛	.53⅜	.49¾	.50¼
		Barley				
.88⅞	.50⅞	May	.83¾	.83⅝	.74½	.75¼
.82⅛	.56¾	July	.78½	.78½	.71¼	.71¼
.75¼	.61⅛	Oct.	.70½	.70⅞	.61⅛	.61⅛
		Flax				
2.03½	1.60½	May	1.93¾	1.93¾	1.85	1.85
2.05	1.63¼	July	1.94	1.94½	1.85¾	1.86¾
2.01	1.74½	Oct.	1.90	1.90¾	1.85	1.85¼
		Rye				
1.21¼	.62⅝	May	1.17	1.17⅝	1.12	1.14⅛
1.19	.78¼	July	1.14¾	1.15¼	1.08⅜	1.09⅝
1.04½	.83⅜	Oct.	.99¾	1.00½	.92¼	.93¼

A Complete Investment and Trading Service

STOCKS . . . . BONDS
GRAIN . . . . MINES

MELADY, SELLERS & CO. LTD.
Grain Exchange WINNIPEG Phone 92709

GRAIN MERCHANTS In World Trade

Owning and Operating Terminal Elevator at Port Arthur (Capacity 5,500,000 bushels)

Over 200 Elevators in Western Canada

EST. 1857

SHIPPERS & EXPORTERS

JAMES RICHARDSON & SONS Limited

WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

WHEAT!!

DID YOU TAKE 22 CENTS PROFIT ON LONG WINNIPEG MAY WHEAT (purchased at $1.26 in February, sold at $1.48¾)? DID YOU TAKE MORE THAN 11 CENTS PROFIT IN CHICAGO MAY WHEAT IN THE SAME ADVANCE (Sold at $1.43¼)? DID YOU BUY CHICAGO MAY CORN AT $1.07⅞?

Profit-taking advices in long grains last week COMPLETES MORE THAN 50 CENTS PROFIT IN WINNIPEG MAY WHEAT, AND MORE THAN 40 CENTS PROFIT IN CHICAGO MAY WHEAT, IN 5 MOVES, IN FIVE MONTHS AND WITHOUT A SINGLE UNPROFITABLE REVERSAL IN THESE TWO IMPORTANT OPTIONS OF WHEAT.

That is the record of TREND-ICATOR LETTER (Grains), a tri-weekly grain market letter service, mailed from Minneapolis and Chicago. Information will be furnished upon request.

TREND-ICATOR COMPANY
134 So. LaSalle St., Chicago, Ill.
655-660 Rand Tower, Minneapolis, Minn.

A Distinguished Reputation

The Millers of Purity Flour have built a Canada-wide reputation on the sound foundation of Quality. By the most exacting test of all — the goodwill of housewives and bakers throughout Canada — this Company has held its leading position for over thirty years.

PURITY FLOUR

PURITY FLOUR
Best for All Your Baking

Milled by Western Canada Flour Mills Co., Limited.

Head Office: Toronto; Branches from Coast to Coast. Mills at: Goderich, Winnipeg, Brandon, Calgary and Victoria.

Other leading products: Purity Rolled Oats; Purity Salt; Hovis Flour; Pioneer Poultry Feeds.

N. M. PATERSON & COMPANY LTD.

Own and Operate
One Terminal Elevator in Fort William
109 Country Elevators
Total Storage Capacity 6,925,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.

Northern Elevator Company

Limited

Incorporated 1893

OLDEST ESTABLISHED GRAIN FIRM IN CANADA
40 YEARS OF CONTINUOUS PUBLIC SERVICE

Head Office:
GRAIN EXCHANGE — WINNIPEG, MAN.

LAKE OF THE WOODS MILLING COMPANY CANADA

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR

Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS

President
FRANK S. MEIGHEN, C.M.G
HUGH MACKAY, K.C. Vice-President
C. H. G. SHORT General Manager

Directors
C. H. G. SHORT, JOHN W. HOBBS, HUGH MACKAY, K.C., WALTER MOLSON, ISAAC PITBLADO, K.C., R. W. REFORD, RT. HON. LORD SHAUGHNESSY, K.C., PAUL F. SISE, G. W. ALLAN, K.C., HON. RODOLPHE LEMIEUX, K.C., P.C., J. W. PYKE, FRANK S. MEIGHEN, C.M.G.

Secretary D. A. MacINNES
Treasurer R. R. HUTCHISON

NORRIS GRAIN COMPANY

LIMITED

PRIVATE WIRE SYSTEM

GRAIN—STOCK—BONDS

Principal Offices:
WINNIPEG, TORONTO, MONTREAL, VANCOUVER, VICTORIA

FEDERAL GRAIN LIMITED

OPERATING TERMINAL ELEVATORS—FORT WILLIAM—PORT ARTHUR—VANCOUVER
423 COUNTRY ELEVATORS THROUGHOUT THE WEST
101 COAL SHEDS

Our Service and Facilities Guarantee Satisfaction

Fire And Casualty

Claims Rates On Auto Risks Equitably Set

C. H. Frederickson Replies to Proposals of Wawanesa Mutual

Is the present method of writing automobile insurance a "pure gamble"?

Should existing policies be revised to cover only the drivers specifically mentioned in the policy instead of, as at present, insuring the owner of the car, no matter who is driving?

Should rates take into consideration the mileage travelled by the insured?

Should driving licenses be granted only to drivers who can show they are covered by insurance?

These were questions which were recently introduced and answered—all in the affirmative—by the Wawanesa Mutual Insurance Co. Made originally to Committee on Automobile Insurance Standard Forms, the proposals of the Wawanesa subsequently received unusually wide publicity and aroused keen interest.

The proposals were frowned upon by the committee, although no detailed explanation was offered as to why the companies did not approve. This explanation has now been given by C. H. Frederickson, actuary of the Canadian Underwriters' Association.

Early Policies on Driver

A driver's policy is not an innovation, Mr. Frederickson contends. When automobile insurance was first written in this country, the insurance was placed on the driver, not the car. Public demand dictated a switch to coverage on the car. Reason for the move was simply that the "owner's policy" gave more adequate protection.

True, he points out, there are certain advantages in underwriting the driver and not the car so far as an insurance company is concerned. But there are also weaknesses. If through competition, insurance companies were obliged under a "driver's" policy to include as well as the driver-owner, his wife, sons, daughters, and so on, these would have to be named in the policy, and investigation would have to be made of each. Who would pay for the increased investigation costs? Would additional premium be asked for each additional driver?

Mileage and Risk

To say that mileage determines risk hazards indicates insufficient study from an underwriting standpoint, he claims. The man who drives his car as little as 3,000 miles a year may or may not be a risk that an insurance company would like. It depends entirely when and how the driving is done and on the type of individual.

The argument, Mr. Frederickson believes, boils down to selecting the individual who has none or very few losses and allow him to drive an automobile. Who would qualify and how would selection of such drivers be made?

From automobile insurance claims records it is found that about 12 out of 100 insured persons have a claim each year under the third part liability clause of an insurance policy. In other words, accident frequency is one claim in 8½ years. As the average annual mileage per car is now about 8,000 miles, an insured driver will, on the average, cover 68,000 miles between each accident. The man who drives 3,000 miles would thus have to operate a car for 23 years before he had an accident. If he has more accidents than this he is in a class below the average. Is it reasonable to suppose that an insurance company would go back into a man's record for over 23 years to know whether to give him insurance or not?

How Determine Rate Clauses?

If automobile rates were based on mileage, the question immediately arises what limits of mileage should be taken for each rate class and how could a company make certain that an insured would stay within his rate class? His business might increase, involving greater travel; he might have more leisure; or various other factors might be introduced. It also would be possible to deceive the insurance companies by manipulation of speedometers.

Under any circumstances, Mr. Frederickson points out, dividing drivers into risk classes on the basis of mileage would have to be done arbitrarily. Would it not, he asks, create an inequitable position for just as many drivers in each risk class as the present system of rating?

With regard to financial responsibility, Mr. Frederickson contends that compulsory insurance is the only means of determining that a driver measures up to this standard. Compulsory insurance, he points out, came under the scrutiny of Mr. Justice Hodgins when he investigated the insurance business in Ontario and he recommended against it. The underlying reasons for his recommendation, he claims are still valid.

Four New Endorsements For "Property Floater"

The Ontario Department of Insurance has approved four endorsements to the "personal property floater" policy covering household contents.

Last fall the superintendent approved a standard policy for this type of insurance on the recommendation of the joint committee on definitions and underwriting powers. Since that time, a number of companies have sought permission to use certain endorsements in connection with the approved policy. These endorsements were submitted to the joint committee for consideration, and the action of the superintendent is in line with its recommendations.

The endorsements, which are effective immediately, are for "other insurance," "money extension," "damage to real property" and "bursting of water pipes."

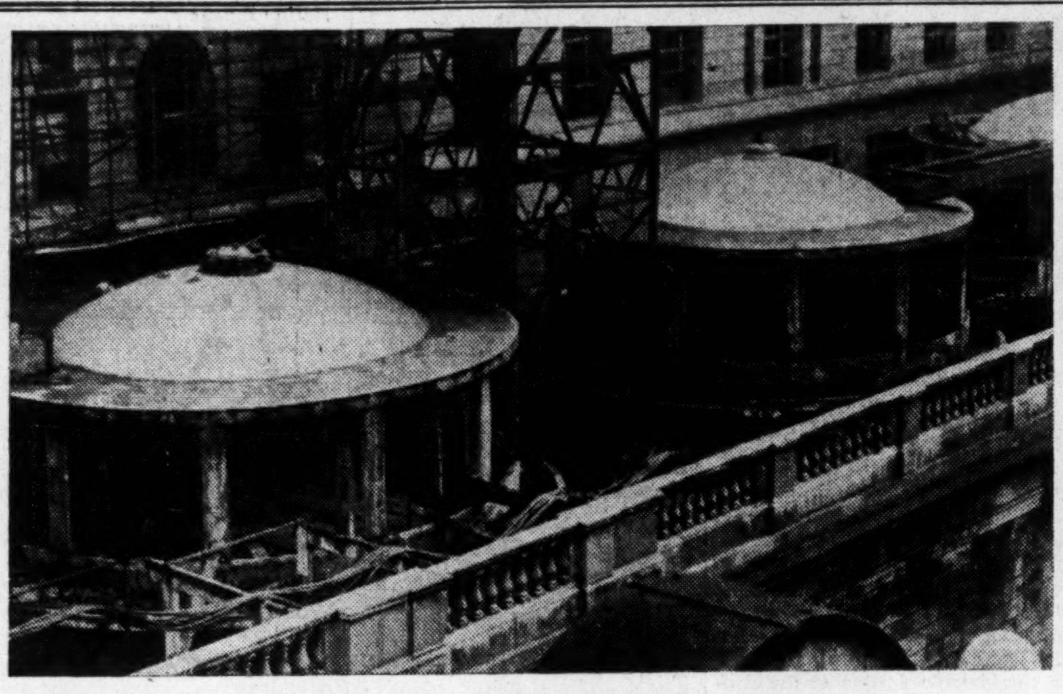
The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual
A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE, WINDSTORM, AUTO, CASUALTY

United States Fidelity & Guaranty Company
TORONTO

$31.35 Worth MILLIONS!
"Thank you for your check of $31.35 in settlement of my claim — I shall look forward to having your company handle my insurance when my present policies expire."
So reads one of many letters received by the "L-M-C". Just $31.35, but it is the symbol of fairness and efficiency that have played an important part in raising "L-M-C" premium income to the 1936 all-time high of $22,219,614.81.
LUMBERMENS MUTUAL CASUALTY COMPANY
1201 Concourse Building Toronto, Ontario.
Telephone EL. 7207

PROTECT YOURSELF
The Company Takes the Risk
It is as unwise to be *under* insured as it is to be *over* insured. Of the two, the latter is *safer* and the difference in cost appears as nothing at all in case of a severe loss.
UNION INSURANCE SOCIETY OF CANTON LTD
ESTABLISHED 1835
ASSETS $31,000,000.00
Head Office for Canada, Toronto
COLIN E. SWORD, *Manager for Canada*

$1,143,727 in Dividends
PAID TO OUR POLICYHOLDERS IN 1936
Each year this "mutual" company distributes its surplus or profits to the policyholders in the form of dividends. Why not earn dividends on YOUR fire insurance in 1937?
BRANCHES ACROSS CANADA: Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Kelowna, Vancouver
NORTHWESTERN MUTUAL FIRE ASSOCIATION
Nonassessable Policies — Assets $6,000,000.



BOMB-PROOFING ENGLAND'S BANK

As part of Great Britain's war preparedness programme the Bank of England, windowless and virtually invulnerable from the ground, is being safeguarded from attack by air. The inverted bowls shown in the picture above have been ingeniously devised to ward off falling bombs.

Fire Rates Cut in West

Board Companies Reduce Dwelling Charges by 17%

A reduction of about 17% in fire insurance rates on dwellings in first and second class cities and towns has been announced by the Western Canada Insurance Underwriters Association. The association comprises "board" insurance companies operating in the three Prairie Provinces.

In explaining the reduction in its Agents Insurance Bulletin, the association states:

"Agents have reported they have experienced the greatest loss to non-association competitors in this class of risk. The present reduction in rates is following up a series of former reductions, which experience on this class has warranted, and is carrying out the effort of your association to rate risks as closely as possible to normal cost, leaving no opportunity for rate cutting to be profitable to our non-association competitors.

"In a general way there are only two or three instances where the basis rate or isolated rate will be lower, which is largely due to the fact that we have modified the classification by reducing the number of classes from four to three. The isolated dwelling rates in this territory are now as low as anywhere in Canada. The major reduction is in exposure charges."

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp and address label from The Financial Post should be enclosed.

Home Assurance

Would you be kind enough to provide anything you may have in your files on Home Assurance Co. I have been approached by this company in respect to health insurance, and would like to know more about it before taking out a policy.

Home Assurance Co. of Canada is a small organization which was incorporated in 1918 and began business in Alberta about five years later. It is now licensed in Alberta, British Columbia and Saskatchewan to write fire, automobile and accident and health insurance. Of capital stock which has been subscribed, amounting to $500,000, only $60,000 had been paid up to the end of December, 1935, the latest date for which figures are available. Total admitted assets of the company were then carried at $192,705 and liabilities, excluding capital stock, $67,363. There is a surplus of assets over all liabilities, including capital, of $64,710. Authorized value of bonds and debentures held with the Government for protection of policyholders is $65,805.

Net premiums written by the company in 1935 were $121,141. Net losses and claims incurred amounted to $48,286 and other expenses brought total outlay for the year up to $129,516. Income from sources other than premiums amounted to $17,816 and miscellaneous expenditure to $4,904. As a consequence, there was a net profit shown on the year's operation of $6,639.

Reciprocal Exchange Dissolved by Courts

Manufacturing Lumbermen's Underwriters, American reciprocal exchange with a substantial volume of insurance in force in Canada, has been ordered dissolved by Missouri courts and assets are to be turned over to the state superintendent of insurance. The decision marks the end of extended legal action dating back to last October.

Lloyd's Representative On Definitions Committee

R. C. Stevenson, of Non-Marine Underwriters at Lloyd's has been appointed to the standing committee on definitions and underwriting powers of the Association of Superintendents of Insurance, succeeding the late L. C. Evans.

W. E. Baldwin, of the Continental Fire, has been appointed vice-chairman of the committee, replacing R. L. Stailing, Sun Fire, who has retired.

Manitoba Fire Fund

A bill has been introduced in the Manitoba Legislature which would establish a special "Fire Insurance Reserve Fund." Its purpose would be to provide for rebuilding or repairing of any buildings or property of the province destroyed or damaged by fire, where the loss is not covered by insurance.

Life Insurance

Life Companies Report Gain in New Business

Twenty-three Out of 41 Companies Reporting Show Advance Over Last Year in New Ordinary Business — Metropolitan Again Leads

About 60% of the companies transacting life insurance in Canada report a higher volume of new ordinary business last year, as compared with 1935. Of the 41 companies for which comparable figures have been released by G. G. Finlayson, federal superintendent of insurance, 23 show gains and one is unchanged from the previous year. The comparison is based on ordinary insurance placed in the Dominion. No amount has been taken of industrial, group or foreign business.

Ranking of individual companies shows the Metropolitan still far in the lead with business during the year of $58.4 millions. Second place for the year goes to the Mutual Life of Canada, whose business was slightly higher than that of the Sun Life. This is the first time in some years that the Sun has not occupied the runner-up position.

Another cnange among the leading companies is the advance of the London Life with net new business of $34.6 millions, to fourth place. Despite a decline of almost $9 millions from the 1935 total, the Prudential of America is in fifth place, only one bracket lower than last year.

Official figures on new ordinary business of all companies for the year was $435.7 millions, compared with $430.2 millions in 1935.

Business in Force

In respect to the aggregate volume of business in force in Canada, the Sun Life again heads the field, but by a smaller margin. Its total of $595.8 millions represents a decline of $16 millions from 1935, whereas the Metropolitan, in second place, registered a gain of $8 millions to $592.6 millions.

In comparison with the previous year, 30 of the companies show a greater volume in force than at the end of 1935. Only 11 report a lower total.

Comparative figures based on official abstracts published by the federal department of insurance, are as follows:

ORDINARY LIFE INSURANCE IN CANADA

	New Assurance Policies Paid in Cash (Net Amount)		Assurance Policies in Force (Net Amount)	
	1936	1935	1936	1935
	$	$	$	$
(a)—Canadian Companies:				
Ancient Foresters	283,100	211,693	3,123,470	3,091,482
Canada	16,433,653	15,779,575	307,406,145	310,371,321
Commercial	1,242,569	1,166,477	7,785,193	8,005,814
Confederation	20,357,731	20,730,747	214,736,096	211,089,653
Continental	4,908,972	4,863,388	36,206,092	34,908,913
Crown	14,695,168	14,569,050	110,853,852	105,813,499
Dominion	13,303,193	14,638,464	136,428,804	133,989,723
Dominion of Canada	1,265,111	1,383,457	8,155,201	7,514,338
Eaton	2,500,752	2,539,049	25,799,095	24,870,731
Excelsior	14,478,859	12,018,320	91,456,892	86,003,348
Great-West	26,605,950	27,265,617	435,752,721	438,105,322
Imperial	12,890,953	13,915,313	205,485,671	203,269,746
London	36,558,848	33,475,485	325,052,316	312,408,332
Manufacturers	16,777,173	19,414,527	251,162,505	252,722,345
Maritime	1,520,680	1,336,975	8,446,702	7,578,491
Monarch	6,971,963	5,792,147	53,992,136	52,695,684
Montreal	3,716,206	5,272,175	29,536,428	31,342,993
Mutual of Canada	38,416,325	37,664,814	486,862,718	478,865,895
National	6,644,309	6,012,519	50,266,743	49,508,315
North American	18,376,256	16,541,878	168,326,210	163,260,014
Northern	4,758,105	3,687,634	39,752,281	39,374,728
Royal Guardians	561,643	439,200	2,878,627	2,754,078
Saskatchewan	1,733,195	1,129,739	8,407,354	8,225,149
Sauvegarde	9,304,580	5,238,062	31,970,548	25,855,806
Sovereign	5,212,451	4,854,934	27,785,579	26,625,377
Sun	38,224,830	38,594,976	595,757,391	611,871,064
Western	1,608,827	371,125	7,146,171	6,865,579
(b)—British Companies:				
London & Scot.	2,585,328	2,109,742	16,736,618	16,009,854
Mutual & Citizens	1,706,406	4,686,803	13,752,976	16,995,430
Phoenix of London	63,000	225,074	5,041,085	5,275,808
Prudential of London	4,564,265	3,543,604	16,828,467	13,340,866
Royal	2,586,877	2,138,396	24,868,239	23,660,878
Standard	3,588,557	3,026,294	32,448,599	30,366,480
(c)—U. S. Companies:				
Aetna	2,145,073	2,513,843	40,745,811	42,021,214
Guardian	5,000	5,000	140,044	137,079
Metropolitan	58,381,269	58,785,835	592,648,295	584,720,070
New York	4,557,700	4,780,600	145,717,425	151,583,657
Occidental	2,118,791	510,014	8,197,259	6,849,852
Prudential of Amer.	26,621,738	35,305,271	233,310,700	230,454,984
State	2,500	......	859,349	949,149
Travelers	5,078,466	5,757,100	89,880,406	91,276,552
Union Labor	......	9,000	76,500	80,502
Union Mutual	56,000	102,500	4,999,316	5,433,144
Total	435,734,749	430,164,368	5,000,882,061	4,926,260,412

Group Life Plan For Barker's Bread

Barker's Bread, Ltd., of Toronto, has taken out a group insurance policy with the Canada Life Assurance Co. which will apply on the lives of approximately 200 employees. In order to assist in building up the benefit fund at the start, the company pays the complete cost for the first three months. After that time, the plan is contributory.

Each employee of the company, regardless of age or physical condition may obtain a $1,000 policy, bringing the total insurance involved in the scheme up to $200,000. In making the announcement, the company states "It is the hope of the management that conditions in Toronto in the baking industry will so improve that the company will, at some future date, be able to assume the full cost of this plan."

NOTICE

Notice is hereby given that Arex Indemnity Company has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-313 authorizing it to transact in Canada the business of Insurance against liability for loss or damage from accident to employees or other persons or to property.

V. W. GERRISH,
Chief Agent for Canada.

Toronto, April 9th, 1937.

$66,000,000 PAID IN DIVIDENDS
The Mutual Life of Canada has always been owned by its policyholders. All excess earnings are paid as DIVIDENDS to those insured in the Company and such DIVIDENDS since 1869 have totalled over $66,000,000.
Policyholders in the Company have several options as to the manner in which they shall receive their dividends. For instance, they may be left with the Company to accumulate at interest in order to increase the amount of cash payable in the case of endowment policies, or to shorten the premium paying period in the case of policies issued on "Life" plans. Also dividends may be received yearly in cash, or applied to reduce annual premiums or to increase the amount of insurance.
Inquiries addressed to the Company's Head Office or to the representatives listed below will receive prompt attention.
MUTUAL LIFE OF CANADA
Established 1869
Owned by the Policyholders
Head Office - Waterloo, Ontario
Toronto Offices:
CANADA PERMANENT BLDG. (Phone Elgin 4356)
TORONTO STAR BUILDING (Phone Elgin 8372)

THE DOMINION LIFE ASSURANCE COMPANY
Forging Steadily Ahead
ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

Health Insurance Cost Estimated

Health insurance is still a live topic in Saskatchewan, despite the contention of the Government that the cost would be prohibitive. Most recent submission was that of the Saskatchewan State Hospital and Medical League, which claims that the cost would amount to no more than the Government now spends for medical and hospital aid, exclusive of tuberculosis sanatoria and mental hospital costs.

The league bases its case on 5,495 replies to questionnaires directed to farmers in the district. Total annual cost of hospital and medical services in rural districts runs about $8.42 per capita, it finds. On this basis, it estimates total annual expenditure on a health insurance project at $8.4 millions, of which the Government would be called upon to contribute some $2 millions.

Record March Sales For Great-West Life

New March business of the Great-West Life Assurance Co. was the highest for that month in the last six years.

On his return to his office following a recent illness, C. C. Ferguson, vice-president and general manager of the company, was greeted with an illuminated address containing the names of 560 members of the field force who produced during the month 1,801 sales aggregating $5.5 millions.

Insurance Inklings

J. S. COOPER has been appointed assistant manager of the North American Life Assurance Co. at Detroit.

C. J. BISSON has been appointed special representative of the Dominion Life Assurance Co. in Galt and district.

G. Ives Mackenzie Agency and **Jamieson & Brown, Ltd.**, two Winnipeg agencies, have merged under the name of **Jamieson & Mackenzie, Ltd.** The new agency will be general agents for the Wellington Fire, Provincial of London, Cornhill, British Oak, Merchants & Manufacturers, Pacific Fire and Zurich.

A UNITED FRONT

. . . against the unknown hazards of tomorrow.
THROUGH THE SUN LIFE OF CANADA, men and women from all over the world, without distinction of race, creed or profession, have come together to ensure protection for their loved ones and security for themselves by means of the great co-operative business of LIFE INSURANCE.
Why not become a member of the Sun Life Family today?
SUN LIFE OF CANADA

The Independent Order of Foresters
Monthly Income During Disability
Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.
In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.
The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.
FRANK E. HAND, *Supreme Chief Ranger.* HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

1887 GOLDEN JUBILEE YEAR 1937
THE MANUFACTURERS LIFE INSURANCE COMPANY
A Backlog of Security
LIFE Insurance is the means whereby a bread-winner can give to those dependent on him financial security which he otherwise could not provide. It guarantees for himself a secure and independent future.
HEAD OFFICE: TORONTO, CANADA
Established 1887

CUSTOMARY SOUND PROGRESS FEATURES
Fifty-Sixth Annual Report
Revenue Account

Premiums (Fire, Accident and General)	$34,528,410
Interest and Rents	1,260,840
	$35,789,250

Balance Sheet — 31st December, 1936
Assets

Government, Provincial and Municipal Securities	$18,336,038
Railway Stocks and Debentures	16,644,512
House Property. Corporation's Offices, less depreciation	5,665,904
Branch and Agency Balances	7,194,402
Shares of Companies Controlled	3,055,097
Amounts due from subsidiaries and other companies	389,188
Interest and Rents Accrued	285,679
Cash in hand and on deposit	3,219,510
	$54,790,330

Liabilities

Capital Paid-up	$ 1,923,863
Insurance Funds	12,855,263
Reserve for outstanding losses, estimated	18,840,695
Amounts due to other Companies and Agents	856,132
Sundry Creditors (including outstanding and accruing expenses and taxes)	4,011,973
Unclaimed Dividends	1,918
Deposits at Interest	36,059
Provision for Final Dividend, 1936	596,397
Investment Reserve	2,000,000
Balance of Appropriation Account	1,168,030
	$42,290,330
Net Surplus	12,500,000
TOTAL	$54,790,330

($5 taken as equivalent to £1 sterling).
Deposit with the Receiver General at Ottawa for the sole protection of Canadian Policyholders as at December 31st, 1936—$2,542,175.52.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED
Head Office for Canada
INSURANCE EXCHANGE - MONTREAL
JOHN JENKINS, General Manager for Canada and Newfoundland
E. L. MARSHALL, Assistant Manager
S. G. REID, Manager for Ontario JOHN FANNING, Asst. Manager for Ontario
CANADA LIFE BUILDING, TORONTO

Bank Chat

Alberta Debts

The most recent "debt evasion" proposal of the Alberta Government is likely to meet the fate of its predecessor, in the opinion of executives of the financial interests at which it was aimed. Replacing the former Reduction and Settlement of Debts Act which was declared ultra vires a short time ago, the new legislation provides that only 50% of debts contracted before July, 1932, are collectible.

Bankers are of the opinion that the clause cannot possibly affect them. They point out that banks specifically come under the Bank Act and the Bills of Exchange Act —both Federal Acts. If these provide that a debt owned to a bank may be collected in full, it is felt that provincial legislation to the contrary cannot be enforced.

Income Taxes

April brings showers and income taxes! The latter, however, hold no terrors for employees of some of the Canadian chartered banks. It is probably news to most people that some of these institutions pay the income taxes of their employees.

Members of the staff simply fill in their returns like their less fortunate fellow citizens, but instead of directing them, with a cheque, to the income tax department, they send them along, perhaps with a note of appreciation, to the chief accountant, who goes over the returns and forwards the bank's cheque to the authorities.

From the employee's viewpoint, the only fly in the ointment is that the salaries of a good number are not sufficiently large to warrant payment of tax.

Free Lunches

Cafeterias and lunch rooms in large industrial and financial concerns are no longer a novelty. But in most of them cold cash is required in payment for the meal. Not so with some of the chartered banks. All that is required is identification that the luncher is really an employee. The bank foots the bill.

Naturally, the practice is confined to central offices. One of the large banks, for instance, has adopted it at its main offices in Montreal, Toronto and Winnipeg. In this particular instance, not only are head office staff welcome, but any other employees of the bank who can find time to drop in. From which it may be gathered that attendance swells materially just before pay day.

Loan Reactions

Psychological reactions are usually associated with rather nebulous theorists. In recent years, however, they have invaded the realm of practical business. It was not altogether surprising, therefore, to learn that a number of manufacturers had congratulated the Bank of Commerce on its personal loan scheme, details of which appear elsewhere on this page. Apparently these manufacturers realize that worry about debts seriously interferes with a worker's efficiency. In enabling employees to consolidate their obligations and pay them off in installments, the bank has been of service not only to the borrowers, but indirectly to those by whom they are employed.

"A New Plan of Life"

This is the title of a booklet recently published, which will be gladly sent, free, to any man or woman in Canada. It is a simple explanation of the LIVING PROTECTION plan of Investors Syndicate, and already it has pointed the way towards future financial independence to thousands of Canadians.

As "big oaks from little acorns grow," so do small sums, regularly set aside, month by month, grow in time into sizable little fortunes. The LIVING PROTECTION plan is designed to help you in a worthy effort to a splendid achievement.

Behind every one of these contract-holders stands $90,889,855 of resources, in which are included sound Canadian securities and cash on deposit with Canadian banks totalling $3,946,825.

Your copy of the booklet awaits your request.

INVESTORS SYNDICATE

Established 1894

Agency Offices of INVESTORS SYNDICATE LIMITED (Head Office: Montreal) and INVESTORS SYNDICATE (Head Office: Minneapolis)

159 BAY STREET, TORONTO, ONT.

at St. John, N.B., Montreal, P.Q., Sherbrooke, P.Q., Three Rivers, P.Q., Hamilton, Ont., Windsor, Ont., Winnipeg, Man., Regina, Sask., Calgary, Alta., Edmonton, Alta., Lethbridge, Alta., Vancouver, B.C., Victoria, B.C., Cranbrook, B.C., and Vernon, B.C.

Quebec Plans Tax Survey

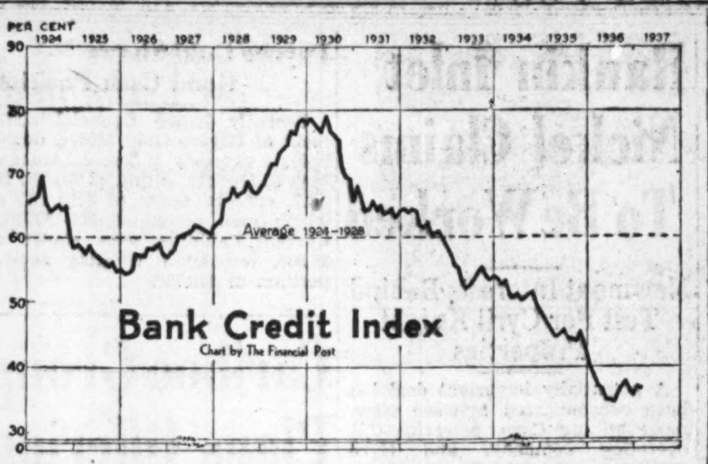
Experts to Study Municipal and Provincial Structure

While the Dominion Government has pledged itself to the appointment of a royal commission to investigate the whole government structure and taxation system of the country, Quebec is to have a commission of its own to study the structure of the municipalities, school commissions and province, and federal taxation as it affects these bodies.

In a bill submitted to the Quebec Legislature by Premier Maurice Duplessis, it is proposed that the commission should consist of three experts and Hon. Martin Fisher, provincial treasurer and Major George Shink, provincial comptroller.

In speaking of the bill Premier Duplessis stated that, while the best authorities in the province will be used in the course of the study, the experts chosen will probably be leading British economic and financial authorities. In this connection he stressed the fact that we draw our ideas of government from Great Britain and that English experts are the best in the world.

While the Government has intimated that when the findings of the commission are obtained it will approach the Federal Government with a project for a readjustment of the taxation structure, Premier Duplessis has given no indication of the relationship of the proposed study to the federal investigation. Present indications are that the two commissions will overlap as far as Quebec is concerned.



The Financial Post bank credit index, based on the ratio of call and current loans in Canada to Canadian public deposits, was well maintained in February, showing only a very slight decline from the January figure at 36.5%. This is the first year since 1929 that the index at the end of February has been higher than at the preceding year end. While still well under the figure for the corresponding month of a year ago, it is two full points above the low recorded last summer.

Dental and Medical Bills Account for a Large Part Of Small Loan Borrowings

Advances made by the Canadian Bank of Commerce under the small loans projects introduced last summer cover almost every phase of life.

Beginning with the medical expenses which proud parents are called upon to pay to ensure safe arrival of the son and heir, they have been used to cover at least a part of his education, to supplement that education with travel. They may have been used to pay off debts accrued in more profligate days, to meet wedding expenses, to furnish a home and to pay interest on the mortgage, to pay taxes. Finally, when death occurs, recourse may be made to the bank for funds to cover funeral expenses.

Half of the loans made by the bank to date have been to pay for medical and dental expenses or to consolidate existing debt. Ten per cent have been used for household purposes, mainly for house furnishings and for moving costs. Six per cent have gone into taxes and mortgage interest payments. Three per cent have been made for education and travel. Loans for miscellaneous purposes account for 22%. Fuel and funeral costs are the more important items in the remainder.

Similar to Loan Firms

Experience of the Bank of Commerce in regard to the purpose for which the loans are used has not been unlike that of "legitimate" loan companies. Taking Central Finance Corp. as representative, more than 80% of all loans are contracted to meet emergencies or to consolidate existing debts. Medical and dental services are the largest single classification, comprising about 19% of the total, with debt consolidation an additional 9%. Following these come clothing, taxes, interest payments, fuel as the more important reasons for borrowing.

Actual number of loans made by the Bank of Commerce to date, and the amount involved, is not available. In the last half of 1936, however, about 15,000 were made, and officials of the bank state that volume has been steadily increasing. The amount of individual loans varies widely. To the end of March, about 60% were for less than $300. Nearly 50% were for less than $200. On the other hand, in some instances the amount involved has reached $2,000.

The loan plan was designed mainly to assist wage earners. Actually its scope includes many loans to professional people. About 60% of the loans have been made to wage earners, and office and clerical workers, but almost 30% represent advances to professional ranks, schoolteachers and salesmen. The remaining 10% have been distributed mainly among managers, foremen and higher salary groups.

The Commerce scheme is substantially the same as when introduced last June. Experience has dictated a few minor changes and simplifications, but fundamentals are unchanged. Loans are available to any steadily employed person, acceptable to the bank as a sound credit risk. The only other requirement is that two guarantors of "good character and financial responsibility" endorse the application. Ownership of property is desirable but not essential, and no collateral security is required.

Advances are made for a year, repayable in 12 monthly installments. On these installments the bank allows interest at the prevailing rate on savings deposits, but deducts the cost of insurance which is carried on the lives of all borrowers. The discount rate is 6% annually, to which is added a service charge, bringing the effective interest rate to about 13%.

90% Acceptable

Experience with the project thus far has been quite satisfactory to the bank. Officials have informed The Financial Post that 90% of applications are acceptable. Repayments have come along very nicely. Delinquents are few and far between. Losses have been well under the figure estimated when the plan was put into effect.

Profits from the venture have not been large, but the bank has maintained that the hope of profits was not the prime object of the scheme. It provides a service to the public. It affords an outlet for some of the bank's otherwise idle funds. It creates considerable goodwill. But to make money on any appreciable scale would require a very large volume of business. Indeed, shortly after the scheme was introduced the bank intimated that if the results were sufficiently satisfactory the discount rate might be reduced.

It is of considerable interest, however, that operations have reached a stage where costs are being met. This justifies the opinion of president S. H. Logan at the annual meeting about three months ago when he stated: "It will, of course, take a greater volume of loans to place the department on a profitable basis, but we are confident that our anticipations of fair remuneration will be realized.'"

Bank of Canada Weekly Statement

Deposits of the chartered banks with the Bank of Canada dropped $11 millions in the week ended April 7 to a figure of $183.2 millions. Other important changes included further increases of $1.7 million in gold holdings and $2.5 millions in note circulation.

In the last month, holdings of gold by the central bank have increased more than $10 millions, while note circulation has risen $8 millions over the same period.

Balance Sheet

	Apr. 7 1937 $	Mar. 31 1937 $
Liabilities		
Capital paid-up ...	10,100,000	10,100,000
Notes in circ.	128,403,247	125,969,641
Rest fund	743,716	743,716
Dep.: Dominion	39,408,526	36,751,263
Banks	183,201,978	194,275,314
Other	1,484,405	1,452,352
Total deposits	224,094,910	232,478,929
All other liabs.	1,472,448	1,316,650
Total liabs.	364,814,321	370,608,936
Assets		
Reserve: Gold	189,629,921	187,947,225
Silver bullion	2,412,496	2,358,069
Res. in sterling and U. S.	16,774,921	19,705,798
Total reserve	208,817,338	210,011,092
Subsidiary coin	211,347	207,847
Investments:		
Dom. Govt. short .	50,831,373	50,974,634
Other Dom. Govt...	101,735,467	101,796,787
Total invest.	152,566,840	152,771,421
Premises	373,724	373,479
All other assets	2,845,071	7,245,097
Total assets	364,814,321	370,608,936
Reserve ratio	59.23%	58.58%

Weekly Bank Clearings

	Apr. 8 1937 $	Change Year Ago %	Apr. 1 1937 $
Halifax	2,793,203	+28.7	1,849,244
Saint John ..	2,120,019	+31.1	1,517,288
Moncton	792,355	+24.8	532,727
Sherbrooke .	727,442	+14.2	515,349
Quebec	5,914,380	+4.0	3,637,577
Montreal	128,905,864	+54.3	95,089,634
Ottawa	26,127,011	+26.8	10,850,969
Kingston	629,411	+14.0	383,778
Peterborough	697,431	+1.5	561,009
Toronto	165,010,248	+51.0	97,060,667
Hamilton	6,120,362	+35.7	4,369,913
Kitchener ...	1,235,019	+27.7	879,773
Brantford ...	1,087,051	+40.5	743,457
London	3,346,450	+38.5	2,442,807
Chatham	608,339	+16.4	519,460
Windsor	3,098,609	+19.9	......
Sarnia	512,126	+1.5	356,481
Sudbury	881,069	+31.1	745,558
Fort William	821,118	+37.3	504,787
Winnipeg ...	41,274,388	—15.5	33,943,308
Brandon	325,817	+26.1	219,868
Regina	3,897,003	+29.8	......
Moose Jaw..	771,531	+65.6	543,190
Saskatoon ...	1,516,522	+13.8	1,076,481
Prince Albert	338,506	+16.3	273,511
Edmonton ..	4,597,181	+13.5	3,127,898
Medicine Hat	241,069	+3.5	201,084
N. W'minster	677,439	+12.0	537,562
Vancouver ..	21,062,232	+22.8	16,855,124
Victoria	1,885,592	+2.6	1,398,304
Calgary	6,417,075	+11.2	4,945,699

Staff Changes

The Bank of Montreal has announced the following changes in staff:

C. A. B. NEVILLE, formerly assistant manager, Montreal, to be manager at King & Yonge, Toronto.

G. F. PEARSON, formerly manager at King & Yonge, Toronto, to be manager at Winnipeg.

R. H. ARKELL, formerly manager at Winnipeg, to be manager at Vancouver.

J. PRIMROSE, formerly assistant inspector at head office, to be secretary to the superintendent of Ontario district, Toronto.

Dividend Payments Total $20.9 Millions in April

April dividend payments by Canadian corporations will total $20.9 millions, a compilation by The Financial Post shows. This is an increase of $4.8 millions over the corresponding month of 1936.

Total dividend payments to the end of April will amount to $70.5 millions, an increase of $14.9 millions over payments made in the first four months of 1936.

Bond interest payments are estimated at $45.2 millions as against $47 millions in April of last year.

Details of April payments appear below:

SUMMARY OF APRIL PAYMENTS

	1937 $	1936 $
Dividends	20,917,443	16,161,634
Bond interest	45,273,722	47,067,185
Total	66,191,165	63,228,819

Dividend Payments

Company	Rate $	Date	Amount $
Acme Glove	.12½q	2	3,000
Do., pref.	1.62½q	2	11,178
Agnew Surpass, pf. ..	1.75q	2	16,675
Alta. Wood. Pres., pfd.	1.75q	2	4,796
Assoc. Breweries, pfd. .	1.75q	1	16,891
Acadia Sugar, pfd.	.07½q	1	22,500
Amer. Cyanamid, A & B	.15	1	378,055
Bk. of Nova Scotia	3q	2	330,000
Bell Telephone	1.50q	15	1,169,070
Bralorne Mines	.10q	15	124,000
Do., extra	.10	15	124,000
Belding Cort.	1q	2	7,495
Do., pref.	1.75q	2	15,142
Brant. Cordage, pfd. ...	.32½	15	13,000
Brazilian Traction, pfd.	1.50q	2	5,901
Brewing Corp., pfd. ..	.37½q	15	61,051
Brit. Amer. Oil	.25q	1	655,660
B. C. Power, A	.45	15	450,000
B.C. Elec. P. & Gas, pf.	1.50q	2	75,000
B. C. Tele., 1st pfd. ..	1.50q	2	15,000
Brockville Trust	.62½q	2	6,250
Bruck S. Mills	.10q	15	12,500
Building Prod., A & B	.35q	2	42,295
Burry Bisc., pfd.	.75q	2	7,500
Burt, F. N.	.50q	2	53,824
Do., pref.	1.75q	2	1,029
Canada Bread, 1st pf.	1.25q	2	15,625
Do., pref. B	.62½	2	15,625
Canada Life	5q	2	50,000
Canada Packers	.75q	2	150,000
Can. Nor. Power	.30q	25	120,000
Do., pref.	1.75q	15	96,250
Can. Perm. Mortgage	2q	2	140,000
Can. Canners, 1st pf. ..	.25q	1	48,560
Can. Cottons	1q	2	27,155
Do., pref.	1.50q	2	54,922
Can. Fairbanks, pf. ...	1.50q	15	18,000
Can. Fire Ins.	2s	2	40,000
Can. For. Invest.	.40q	1	29,366
Do., pref.	2q	1	22,000
Can. Gen. Invest.	.12½q	15	75,073
Can. Gen. Elec.	1.50q	1	283,267
Can. Industries, A, B .	1.50q	30	1,019,491
Do., pref.	1.75q	15	81,375
Canadian Oil, pfd.	2q	2	40,000
Can. Westinghouse, pf. .	50q	1	273,000
Can. Wire Box, A	.37½q	2	23,856
Can. Iron Found., pf. .	2.50s	30	96,945
Candn. Pac. Rly., pf. ..	1%	1	1,372,569
Cariboo Gold	.02½q	2	33,332
Carnation, 1st pf.	1.25q	2	48,615
Celanese of Amer., pf.	1.75q	1	200,931
Central Can. Loan	2q	2	50,000
Chartered Trust	1q	2	10,000
Cons. Bakeries	.20q	2	63,688
Do., extra	.20	2	63,688
Consumers' Gas	2.50q	2	351,380
Cosmos Imp., pref. ..	1.25q	15	6,250
Crown Trust	1.75q	2	17,500
Dominion Bank	2.50q	2	175,000
Dominion Coal, pfd. ..	.37q	1	88,800
Dome Mines	.50q	20	476,667
Dom. Fire	3s	2	9,000
Do., bonus	2	2	6,000
Dom. Glass	1.25q	2	53,125
Do., pref.	1.75q	2	43,500
Dom. Textile	1.25q	2	337,500
Do., pref.	1.75q	15	33,960
Eastern Steel, pfd.	1.75q	2	6,829
Econ. Invest. Tr.	1.37½	1	54,897
Fanny Farmer	.25	1	97,617
Gen Trust of C., pfd.	1.50q	2	16,500
Goodyear Tire	.62q	1	159,501
Do., pref.	.62½q	2	75,000
Gt. Lakes Power, pf. .	1.75q	15	13,125
Gt. West Life	5q	2	50,000
Greening Wire, pf.	1.75q	1	11,375
Hinde & Dauch	.25q	1	74,945
Hamilton Cotton, pf. ..	*.50	1	9,506
Highland Dairy, pf. ..	1.75q	2	2,695
Huron & Erie Mtge. ...	1.25q	2	62,500
Indust. Accept.	.25q	1	15,000
Do., pref.	1.25q	1	18,750
Inter. Milling, pfd.	1.25q	15	56,250
Inter. Power, 1st pfd. .	1.50q	2	120,000
Int.-State Rlty., A	.28q	1	20,718
Invest. Foundation, pfd.	.50q	15	14,896
Do., arrears	.75	15	22,341
Jam. Pub. Service	.43½q	2	19,687
Do., pref.	1.75q	2	18,777
Landed Bkg. & L.	1.25q	2	12,500
Lang, J. A.	.17½	2	17,500
Maritime Tel	.15q	2	54,320
Do., extra	.10	2	36,213
Do., pref.	.17½q	2	26,250
Mitchell, J. S., pfd.	1.75q	2	5,295
Monarch Knit, pfd. ...	1.75q	2	13,125
Mtl. C. & D. Bk.	3q	2	60,000
Montreal Telegraph ...	.80q	15	35,000
Mtl. L., H. & Pwr. ...	.37q	30	1,660,932
Mtl. Tramways	2.25q	15	157,500
Moore Corp.	.40q	2	110,496
Do., pref., A & B	1.75q	2	86,898
National Biscuit	.40q	15	2,515,779
Nat. Breweries	.50q	2	360,686
Do., pref.	.44q	1	48,840
National Trust	2q	2	60,000
Nat. Gocers, pfd.	1.75q	1	51,681
Niag. Wire Weav.	.50	1	40,000
North Star Oil, pfd. ..	.08‡	1	17,500
N. S. L. & Pr., ord. ...	1.25q	2	43,153
New England Pwr.	1.50q	1	984,687
Ogilvie Flour, c.	2q	2	150,000
Ont. Loan & Deb.	1.25q	2	50,000
Ottawa L., H. & Pr. ..	1.50q	2	52,500
Do., pref.	†1.25	2	21,250
Ottawa Traction	.50q	2	28,038
Pressed Metals	.50	1	62,144
Page-Hersey	1.00	1	174,276
Power Corp., pfd.	1.50q	15	75,000
Do., 2nd pfd.	.75q	15	75,000
Porto Rico Pr., pfd. ...	1.75q	2	17,500
Premier Gold	.03q	15	150,000
Do., extra	.01	15	50,000
Prov. Paper, pfd.	1.75q	2	61,250
Reno Gold	.03q	2	56,400
Rob. Cons. Cone	.25q	2	12,499
R. S. Mills, A	.50q	2	15,000
Sheep Creek Gold	.02q	15	37,500
Sher.-Williams, pfd. ...	*1.75	2	60,550
Smith, H., Pap., pfd. ...	1.50	15	92,410
South. Can. Pr., pfd. ..	1.50q	15	106,333
Stand. Steel, pfd.	.75	1	7,342
Do., on arrears	.75	1	7,342
Stand Fuel, pfd.	1.62½q	1	19,464
San. Antonio	.07	20	162,167
So. Amer. Gold	.10	23	176,000
Sun Life	3.75	1	75,000
Tamblyn	†.20	1	17,600
Do., pref. new	.62½q	2	3,750
Teck-Hughes	.10	2	721,071
Tip Top Tailors	.15	1	18,000
Do., pref.	1.75q	2	22,450
Tor. Gen. Trusts	1q	2	30,000
Toronto Mortgage	1.50q	2	29,595
Tuckett Tob., pf.	1.75q	15	35,000
Viau, pfd.	1.25q	1	11,825
United Dist.	.10	15	77,000
United Secs.	.50q	15	25,630
Wabasso Cotton	.25	2	17,475
West. Assur., pf.	1.20s	2	18,000
Weston, Geo., c.	.20q	2	75,176
West. Grocers	.60q	15	10,165
Do., pref.	1.75q	15	20,899
Wr.-Hargreaves	.10q	2	550,000
Do., extra	.05	2	275,000
West. Koot. Pwr., pfd.	1.75	1	8,750
Total			20,917,443

q—Quarterly.
s—Semi-annually.
a—Annually.
*Arrears. †Initial. ‡Interim.

Bond Interest Due in April

	$
Corporation bonds	9,224,878
Municipal	8,439,784
Provincial	7,167,492
Dominion	20,441,568
Total	45,273,722

St. Cath.-Stanley Orders Meeting

Will Ask Bondholders to Modify Rights Under Trust Deed

From Our Own Correspondent

MONTREAL. — Holders of the 6½% first mortgage bonds of St. Catherine-Stanley Realty Corp. have been notified of a meeting to be held in Montreal on May 4 to consider a compromise arrangement put forth by the company.

The plan provides for the following:

Principal and interest will be payable in Canadian funds only, whereas under the terms of the trust deed the bonds are payable in more than one market.

Interest due and unpaid to Nov. 1, 1936, will be cancelled.

From Nov. 1, 1936, to Apr. 30, 1942, interest will be limited to payment at the rate of 3% per annum; from May 1, 1942, to Apr. 30, 1947, to 3½% per annum; and thereafter to maturity at 4% per annum.

The maturity of the bonds will be extended to May 1, 1957.

Sinking fund payments due and unpaid from May 1, 1932, to date, will be cancelled and a new sinking fund will be set up from July 1, 1938, consisting of an amount equal to 75% of the surplus earnings of the company remaining for the fiscal year ending the preceding 30th of April.

The remaining 25% of surplus earnings will be used to maintain a special reserve fund at $15,000 and any amount over that will be paid to the bondholders as additions on the next interest payment date up to a total amount of 2% of the bonds outstanding.

A letter sent to bondholders by Century Bond & Management Co., Toronto, takes exception to the haste with which this plan has been announced. This letter also suggests that greater sacrifice should be made by shareholders in the interests of bondholders and that control of the company should pass to the latter group.

Made-to-Measure Financial Security

You can get a definite "Made-to-Measure" insurance proposal from the Confederation Life Association to—

1. Provide a capital sum for dependents in the event of your death.
2. Provide for the higher education of your children.
3. Provide a Guaranteed Monthly Income for yourself when you reach age 55 or 60.
4. Provide an annuity for yourself or for your wife or for both.
5. Provide you with Capital for ultimate business requirements.
6. Cover liabilities under a partnership.

The Confederation Life Association has a policy to provide for every Life Insurance need, and would welcome the opportunity of servicing you by furnishing information of a definite nature which may enable you to study your requirements more carefully. Use coupon for convenience.

Confederation Life Association, Head Office, Toronto, Ontario.

Please send me a "Made-to-Measure" insurance programme to provide for..........................

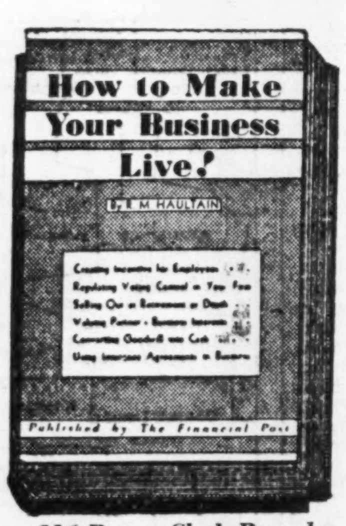
Name.......................................Age..........

Address...

Confederation Life Association

Head Office Toronto

DO YOU KNOW HOW TO ARRANGE PARTNERSHIP INSURANCE?



216 Pages, Cloth Bound.

- Who Pays the Premiums? Answered on pages 104, 158.
- Who is the Beneficiary? Answered on page 158.
- Why a Written Agreement? Answered on page 185.
- What Should Agreement Cover? Answered on page 186.

How to Make Your Business Live

by R. M. HAULTAIN

Official Canadian Text for C.L.U. Degree Course.

Now only $1 per copy

Much Discussed

Widely Used

THE FINANCIAL POST,
481 University Avenue,
Toronto 2, Canada.

Please send me postpaid .... copies of the book. HOW TO MAKE YOUR BUSINESS LIVE.

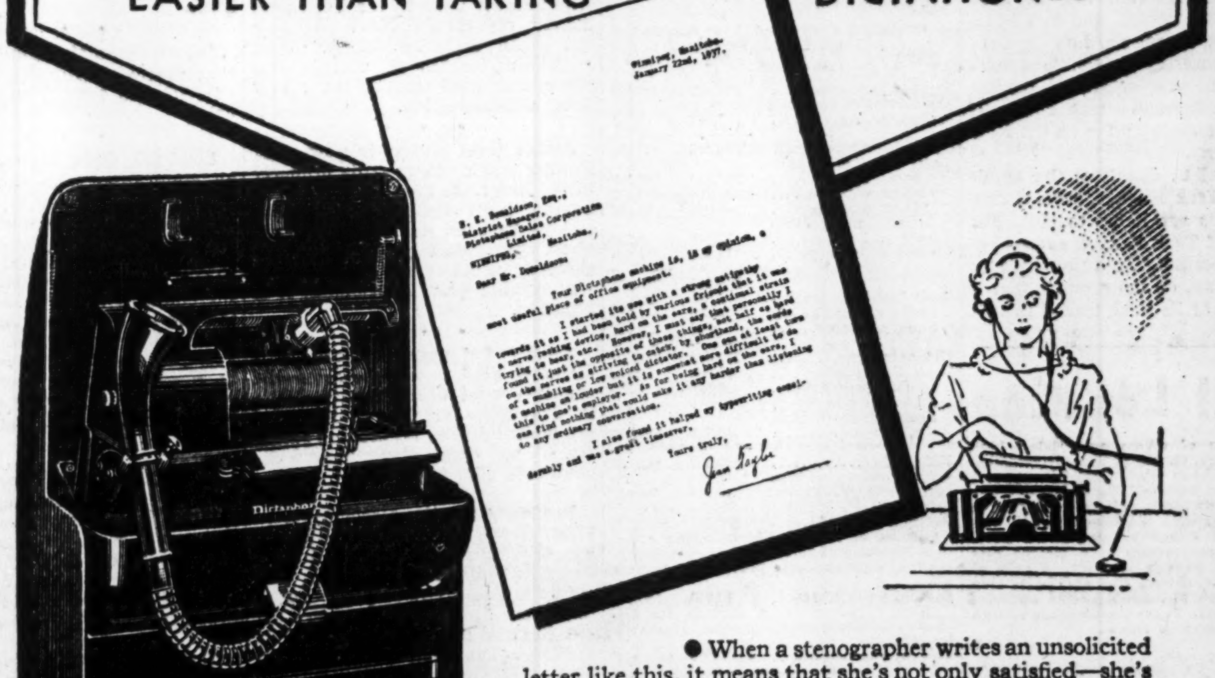
Enclosed is $.............. in payment.

Name ....

Address ....

STENOGRAPHER ENTHUSIASTIC ABOUT DICTAPHONE

EASIER THAN TAKING DICTATION..



● When a stenographer writes an unsolicited letter like this, it means that she's not only satisfied—she's enthusiastic about Dictaphone. You'll find the same attitude on the part of the girls in offices where Dictaphone is used. It cuts out that nerve-racking job of taking dictation. Work proceeds in a more orderly manner. Stenographers are not kept after hours to take dictation — but they proceed to transcribe your last night's dictation first thing in the morning. The girls have the opportunity to take on other work and responsibility.

And more important still, Dictaphone eliminates costly errors. It reproduces the voice clearly and distinctly.

The trend in modern offices is toward Dictaphone. Telephone or write for information.

DICTAPHONE SALES CORPORATION LIMITED
86 Richmond Street West, Toronto
Sales and Service Offices from Coast to Coast

DICTAPHONE

Week in Mining

Markets Badly Shaken By False Gold Rumors

Trading Remains Quiet Despite Official Denials From Washington—Oils Lack Development News

Badly scared by the false Washington reports regarding gold prices, Canadian mining markets are taking a long time to recover, although some recovery is evident at time of writing. Gold stocks were, of course, directly influenced by the rumors that a cut in the price of gold was imminent. Base metals were affected indirectly as Washington's attitude was interpreted as being an indication of levelling off rising commodity prices, including the price of base metals.

Turner Valley oil stocks are down from levels established earlier this year. Based on developments in the Valley, most observers are forecasting a fairly quiet oil stock market until October, when fresh important results are expected.

Hedley Debacle

Enquiry instituted by the B.C. Attorney-General into the financing and stock market transactions in connection with Hedley Amalgamated Gold Mines, has already produced a considerable amount of fairly unsavory material, although the full story will probably not be told until the government report of the mine "salting" charges has been made public.

From the point of view of the public, one of the most illuminating sections of G. L. Fraser's report deals with the arrangements allegedly made between the broker and the company principals. According to the Fraser report, the president is stated to have entered a deal with a Vancouver broker whereby the latter was given call on 98,400 shares of stock, and, according to the report, it was the intention that the broker should by use of his services in creating favorable publicity and by supporting the market, create a public demand for the stock, and thus liquidate these 98,400 shares as occasion arose, the profits over and above the cost price of the shares to be divided equally between the president and the broker.

In the face of such revelations as these, some still argue that the very principle of government intervention in mining promotion is wrong, and that safer securities laws to protect investors are unnecessary.

Japan Buys B.C. Metals

An interesting development in British Columbia mining circles in recent months has been the entry of Japan as an important buyer of the province's base metals.

Shortly after it was announced that Mitsubishi interests were negotiating to purchase the entire output of B.C. Nickel Mines, near Choate, a property which is at present still in the development stage, and planning a 250- or 500-ton mill, it was disclosed that Mitsubishi and Mitsui had contracted to buy the entire production of the Granby Consolidated Mining & Smelting plant at Granby. This plant, closed in 1931, and reopened last fall, will, by June, be producing and shipping concentrates at the rate of 4,000 tons a month, according to officials.

Japan is a logical market for B.C.'s base metals, and it is generally understood that the Orient is at the present time "metal hungry."

Teck and New York Curb

At time of writing, the Securities and Exchange Commission at Washington was still wrestling with the knotty problem as to whether Teck Hughes Gold Mines can be granted its application to withdraw its shares from trading on the New York Curb Exchange.

Official motive for this application is the fact that 78% of Teck Hughes shareholders, and 64% of its outstanding shares are held in Canada. A corollary reason is understood to be the scores of official documents through which one must wade to maintain listing on the New York market.

If the S.E.C. dismisses the application of Teck Hughes, several nice legal points are liable to rise. For example, if Teck Hughes should refuse to meet S.E.C. requirements on filing reports, on the grounds that it did not want its issue traded in that country, what would be the S.E.C.'s authority and next move?

Easy Money

This is a true story of a prominent Toronto financial figure who made a nice sum of money out of Highwood-Sarcee Oil Ltd. stock.

The day after the financial coup, the magnate met a friend on Bay St. and confided:

"I just made quite a bit of money on Highwood-Sarcee, and it wasn't until after I'd sold out that I found the darned thing wasn't a gold mine at all."

Apparently fools and inebriates are not the only people who benefit from divine protection.

* * *

Mining Stock Prices

Sharp declines in both base metals and gold issues have recently carried the Dominion Bureau of Statistics mining index to the lowest levels of the current year. Base Metals dropped steadily from 330.7 on April 1 to 306.0 on April 8, failing to steady on the last mentioned day when Industrial Mines turned upward again. The gold issues did not react appreciably until April 7 when the possibility of a lower gold price in the United States brought pronounced weakness. The Bureau's general mining index dropped from 169.5 to 165.9 between the weeks ended April 1 and 8, with Golds falling from 131.1 to 129.0 and Base Metals from 328.9 to 313.9.

Sullivan Shows High Tonnage

Net Profit of $152,267 Reported — Grade is Lower

Somewhat lower recovery per ton, but higher tonnage is revealed in the annual financial statement of Sullivan Consolidated Mines, northwestern Quebec gold producer, for the year ended Dec. 31, 1936.

During the year, the company milled 46,032 tons, with a gross recovery of $629,337, or a recovery per ton of $13.67. In 1935, 31,031 tons were treated, gross recovery amounting to $470,097, or $15.15 per ton.

Net profit for the year amounted to $152,267 or over three cents per share. In 1935, a deficit of $44,964 was shown.

Current assets as at Dec. 31, 1936, amounted to $334,675, consisting of cash of $206,998, bullion in transit of $65,609, accounts receivable of $8,351 and inventories of $53,717. Current liabilities totalled $43,685, comprising accounts payable, trade, of $11,266, wages payable of $7,204 and provision for taxes of $25,215. Working capital amounted to $290,990 at the end of 1936 as compared with $163,655 in 1935.

Operating & Profit & Loss Account
Years Ended Dec. 31

	1936 $	1935 $
Bullion production ...	629,337	470,097
Less: Mint & handling charges	7,594	5,702
	621,743	464,395
Less: Dev. & explor. exp.	221,414	108,369
Mining expense	60,394	60,052
Milling expense.....	65,908	70,081
General mine overhead	16,518	6,819
Head office exp. ...	11,944	8,761
	245,565	210,313
Add: Interest earned..	4,361	......
Profit on sale of lots	3,375	1,323
Sundry income	578	......
Net earnings	253,879	211,636
Less: Depreciation ...	30,364	19,436
Quebec profits tax..	8,540	7,288
Prov. for inc. tax ..	16,676	......
Prop. of pre-milling exp. w/o	46,032	229,876
Net profit	152,267	*44,964
Add: Previous surplus	†147,024	1,084
Less: Prior yr. adjusts.	16,976	85,472
Balance forward	282,316	*129,352

*Deficit or loss. †After giving effect to adjustment of $276,376 in respect of premilling expenditures previously written off.

Earnings per Share ..	$0.038	‡$0.046

‡Before deduction of $229,876 for the balance of development expenditures written off.

Shares Outstanding ..	4,000,000	4,000,000

Towagmac Stock Value Increased

Although Towagmac Exploration Co., holding and exploration company, continued in 1936 to operate a loss, market value of the company's investments had a marked advance during the year.

At Dec. 31, 1936, the company held the following stocks:

Name of stock:	No. of shares
Aldermac Copper	1,180,765
Francoeur Gold Mines	643,000
Lake Geneva Mining Co.	447,500
Lake Fortune Gold Mines	596,580

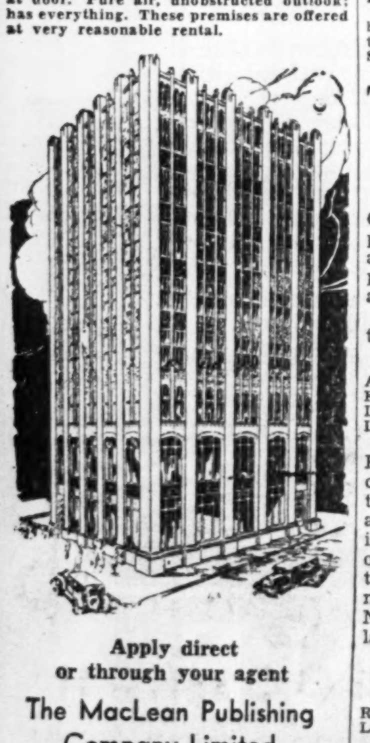
At Aldermac Copper Corp. in the Rouyn district of Quebec, the concentrator is operating at a rate of 250 tons daily, and the company has announced that the capacity will be increased to 1,000 tons by the middle of the year. Shaft is being deepened to 1,625 feet. Results at the experimental sulphur producing unit at Niagara Falls, placed in operation last June, have been encouraging.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Rev. from invest.	......	15
Less: Oper. & gen. exp.	6,930	9,227
Loss on sale of invest.	3,254	84,337
Loss for year	10,184	93,549
Add: Prev. deficit ...	286,960	193,411
Deficit to bal. sheet ..	297,144	286,960

Ideal Location

Three suites of offices comprising 1800, 950 and 470 sq. ft. are at present available in the MacLean Publishing Company's modern office building, University Avenue at Dundas. Central, yet out of the High Rent district; save ten minutes each way by avoiding congested downtown area. Fast passenger elevators; a freight elevator, 10,000 pounds capacity. Plenty of parking space. Street cars and buses stop at door. Pure air, unobstructed outlook; has everything. These premises are offered at very reasonable rental.



Apply direct or through your agent

The MacLean Publishing Company Limited

481 UNIVERSITY AVE.

Phone ADelaide 9131

Error Blamed For Fluctuation On Red Lake

Commission Finds Some Selling By Two Directors

MANY RUMORS

That the misstatement by Robert W. Breuls, president of Red Lake Gold Shore Mines, as to ore reserves, was the primary cause of violent fluctuations in the company's stock last winter, is one of the findings of John J. Robinette, of the Ontario Securities Commission, in a report just released.

The Commission was investigating the reasons why stock in this company dropped from about $2.40 per share in Sept., 1936, to about 80 cents in Feb., 1937.

Evidence taken by the Commission, the report states, disclosed the following possible reasons for the decline in market value:

1. The spreading of the unfounded rumor that an official of the company had absconded. It was impossible to locate the source of this rumor, the Commission finds, but its falsity could easily have been established in short order. It is therefore impossible to believe that this rumor could have a serious or prolonged effect on the market, the report finds.

Some Sold Their Stock

2. Spreading of the statement that the directors were selling their own stock. The report finds that Dr. Breuls, Harry A. Newman, K.C., and Ira Hough, president, vice-president, and director of the company respectively, did not sell substantial quantities of stock in this period, but on the contrary purchased blocks of stock, some at very high prices. Charles E. St. Paul, president of the company until Dec. 1936 and Charles V. Gallagher, director, did, however, sell substantial quantities.

The Commission found that Charles E. St. Paul, who was president of the company until Dec., 1936, sold 13,000 shares through his nominee Smythe, an officer of the Trusts and Guarantee Co.

Charles V. Gallagher, a director, between Sept. 10, 1936, and March 8, 1937, purchased 1,000 shares and sold 55,900 shares.

3. The fact that the first gold brick produced was not of the value anticipated. Directors had announced that the first brick was expected to gross between $30,000 and $35,000, whereas its value was about $24,000. This was a disappointment, and doubtless contributed to the decline in the market.

Vendors' Pool

4. Fear that the pool of the vendors' stock would not be extended beyond April 1, 1937. This pool of 1,500,000 shares was not under the control of the Ontario Securities Commission, as is usually the case, but was to be extended from year to year from April 1, 1930, as directed by 51% of the owners of the vendors' stock. This year, the vendors were divided. In Feb., 1937, a direction to extend the pool was forwarded to the trust company, signed by Messrs. Hough, Newman, and Breuls. These three purported to sign on behalf of another vendor, Norman Birrell. Later Birrell notified the trust company that the signatories to the extension had no authority to sign on his behalf. But the announcement was made that the pool would not be broken.

5. The misstatement by Robert Breuls that the ore reserves of the mine were approximately 200,000 tons grading .663 ounces per ton. This, the report finds, was a mere personal calculation, and should have been so presented to the public.

Ardeen Picture Not Disclosed

Only Bright Side Given to Public, Commission Reports

Why, after a series of optimistic reports appearing in a Toronto mining weekly, did Ardeen Gold Mines suddenly enter voluntary bankruptcy in Dec., 1936?

The answer to this question was the aim of a recent investigation by the Ontario Securities Commission. In his report Walter M. Martin finds that publication of the so-called news reports "constitute non-disclosure in the broadest sense."

The findings of the commission exonerate the president of Ardeen, H. G. White, of deliberate misrepsentation, and state that Mr. White acted "perhaps foolishly, but in the highest good faith."

Ardeen Gold Mines was formerly the Moss Gold Mines which went into receivership in Sept., 1933. The property itself has been worked intermittently since 1883. Production under Ardeen was carried on from Nov., 1935, to Dec., 1936.

Mr. Martin, in his report, finds that the property was mismanaged under the Ardeen sponsorship. While N. O. Lawton, mine manager, was a qualified engineer, Ardeen was the first gold mine of which he had acted as mine manager.

Mr. Martin also finds that the mill should not have been put into operation in 1935. Mr. Lawton was not manager at the time, and told the commission that if he had been, he would not have advised resumption of milling operations. The operations were never adequately financed, and Mr. White advanced money, totalling some $80,000 from time to time to keep it in operation.

Since the capital stock of Ardeen consists of four million shares, of which 3,926,222 are issued, a reorganization of the company is inevitable if operations are to be resumed.

News Concentrates

Ainsworth Mines—Is advised by Carl M. Mohr, in charge of development at the property in Lake Kootenay district of B.C., that a recent strike on the 140-ft. level has largely increased ore reserves, the width being greater at that level than at the 70-ft. horizon from which production has so far been had. Deepening of the shaft another 70 ft. to the 210-ft. mark is to start a once.

* * *

Alden-Goudreau Mines (1937)—Started the first diamond drill hole in its new programme early this month, according to W. A. Hesse, consultant. Drilling of seven additional holes is planned for this Goudreau property. Some 5,000 ft. of drilling already done, mostly on "C" vein, has given encouraging results, Mr. Hesse reports.

* * *

Aquarius Porcupine — East of Night Hawk Lake in the Porcupine district, reports that No. 6 drill hole cut green dolomite 501 ft. down, continuing to 523 ft., and in this there was good quartz but rather scant mineralization.

* * *

Altura Gold Mines—Is now shaft sinking under power at its property in the Red Lake area, all machinery having been delivered. Previous sinking by hand steel took the shaft down approximately 30 ft., and this showed values over good widths, with visible gold in evidence, it is reported.

* * *

Augite Porcupine—Reports that diamond drill hole No. 3A on the property west of Buffalo Ankerite in Porcupine area gave indicated ore widths of 20½ ft., grading $10.80. No. 4A had depth of 825 ft. and encountered 29¾ ft. of ore.

* * *

Buffalo Ankerite—Recovery from 27,347 tons of ore milled in March was $225,500 approximately, Buffalo Ankerite Gold Mines reports. This works out to a recovery per ton of $8.25, compared with a recovery per ton $8.62 in February, and $7.60 in January. The company's total production for the first three months of 1937 amounts to $645,844, average recovery per ton for the three-month period being $8.15.

* * *

Central Duverny Gold—Has contracted for an additional 5,000 ft. of diamond drilling on its Duverny twp. property in northwestern Quebec in order to establish what sections of the property will respond most rapidly to development.

* * *

Cobalt Frontenac Mining—According to Noah Dyment, president, had indications of ore of commercial grade in assay results from test pitting during March at the Barrie twp. property in eastern Ontario. Cobalt Frontenac owns controlling stock interest in the Rich Rock property, with holdings in the same district, and Cobalt Frontenac's geology is said to be similar to that on Rich Rock, which Consolidated Smelters is developing.

* * *

Delosha Porcupine Mines—Capitalized at 3,500,000 shares, of which 1,200,000 were issued for properties, has been formed to develop two groups of claims in the southern part of Shaw twp., Porcupine area.

* * *

Electra Porcupine—Is currently drilling two holes at its property in German and Macklem twps., of Porcupine mining division. A heavy drill is being used on hole No. 9, which intersected carbonate greenstone down to 310 ft. Hole No. 10 is sited on the side of a hill north of No. 9.

* * *

Harwood Lake Mines—In Fox Lake section of Sudbury district has begun work on the head frame for its shaft. When shaft is down 40 ft. it is expected the mining plant will be delivered and installed. Sinking under power will then go forward.

* * *

Hialeah Gold and Metals—Has been formed as primarily a holding company to develop 16 claims in Little Long Lac area, seven of which are tied on to White Horse, with the other nine in the vicinity of Roche, McFarlane and West Side Long Lac. H. P. Killoran, president, states these properties give the company 25 claims in all, totalling about 1,000 acres.

* * *

Island Mountain Mines — Reports that March production from 3,774 tons totalled 1,421.51 fine ounces of gold.

* * *

Lac-Teck Gold Mines—Has filed an application with the Securities and Exchange Commission at Washington covering 1.5 million shares, no par value. The company states that 500,000 of the shares being registered are to be donated by the shareholders to the underwriter as the one million shares are taken up by the underwriter. A. E. McKee, Toronto, is underwriter, and Robert F. Hardy, Toronto, president. The company owns property in Kirkland Lake, Long Lac, and Sturgeon River areas.

* * *

Lake Hill Gold Mines—Capitalized at 3,000,000 shares, of which 1,200,000 have been issued for properties, cut 4 ft. of quartz 142 ft. down in its first drill hole, put down through the ice about 800 ft. from the shaft of this Lake of the Woods property.

* * *

McVittie-Kirkland Gold Mines—Has No. 5 hole now under way at its Larder Lake property and has moved diamond drill to No. 2 vein. Here, overburden to a depth of 40 ft. was encountered, but at last reports the drill had entered a zone showing highly mineralized dolomite. First four holes were put down on No. 1 vein, and core assays are now being made.

* * *

Melba Gold Mines—In Kirkland-Larder Lake district, has completed diamond drill holes Nos. 14 and 15, according to C. L. Jerrom, managing director. Two hundred feet down, visible gold was noted in both cores. Shaft sinking is expected to start by May 1, equipment having been shipped to the property.

* * *

Mooshla Gold Mines— Is now installing a complete electrically operated plant with three times the present capacity at its Bousquet twp. property in Quebec. Six holes have been spotted from the third level to cut the vein 50, 100 and 200 ft. below the level.

* * *

Orelia Mines—Has tuned up machinery capable of working to a depth of 1,000 ft. and is negotiating for the purchase of a diamond drill to complete the campaign recommended by G. R. McLaren, M.E., for the property in the Rainy River district.

Rankin Inlet Nickel Claims To Be Worked

Newmont Interests Behind Test For Cyril Knight Properties

A potentially important deal has been consummated between Newmont Mining Corp. powerful U.S. operating company, and Cyril Knight Prospecting Co. by which Newmont takes over a large interest in the nickel-platinum deposit on Rankin Inlet on the west coast of Hudson Bay.

Newmont, which is already interested in several Canadian mines, including Island Mountain in the Cariboo, and in the Hudson Bay Mining & Smelting Co. at Flin Flon will finance development of the far northern nickel deposit which has been owned by Cyril Knight since 1929.

The property is about 200 miles north of Churchill.

John Drybrough, who has made a preliminary examination of the claims, reports indicated ore at approximately 120,000 tons of material of about the same grade as International Nickel's Creighton mine at Sudbury, Ont. To place the property on full production basis, The Financial Post understands, would require an estimated $2 millions, of which $1 million would be earmarked for plant and equipment, and $1 million for working capital. Cost of determining whether the deposit warrants such a step is estimated at from $250,000 to $350,000.

Between now and summer, a diamond drilling campaign will be carried out which, if successful, will result in shipping in a complete mining plant over the water route in the summer months.

Mr. Drybrough's estimate of indicated ore at 120,000 tons is based only on ore from the drill holes to surface, with no allowance laterally or downward. The estimated grade is as follows:

	Tonnage	Copper %	Nickel %	Platinum ozs.
High grade	30,000	1.28	9.25	0.20
Med. grade	90,000	1.19	3.10	0.08
	120,000	1.22	4.62	0.11

H. B. Mining Profits Gain

Company's Working Capital Reflects Material Improvement

Earnings per share of $1.34, as compared with $1.17 in 1935, are shown in the annual report of Hudson Bay Mining & Smelting Co. for the fiscal year ended Dec. 31, 1936.

Percentage of ore taken from underground operations has gradually increased, until toward the end of the year, it was approximately 66% of the total ore produced. Most of the ore in the open pit to a depth of 220 feet has been removed, and the annual tonnage from it will still lower during the remaining life of the pit, R E. Phelan, general manager reports.

The consolidated balance sheet of Hudson Bay and its subsidiary, Churchill River Power Co., shows total current assets of $8,084,857, against current liabilities of $1,439,108, leaving working capital of $6,645,749. At the end of the previous year, working capital amounted to $5,963,889.

Among other current assets are cash of $2,454,608, and Dominion of Canada 2% bonds due Nov. 15, 1939, with a market value of $303,960.

Cons. Income and Surplus Acct.
Years Ended Dec. 31

	1936 $	1935 $
Metal sales	11,349,879	10,453,665
Ore on hand	411,448	330,275
	11,761,327	10,783,940
Less: Prev. year's ore	330,275	327,696
Total production	11,431,052	10,456,244
Add: Miscel. income ..	33,298	17,716
	11,464,350	10,473,960
Less: Oper. costs	4,545,148	4,136,272
Exec. & legal fees ..	69,829	77,903
Trans. fees & off. exps.	107,226	108,647
Directors' fees	620	643
Railroad freight ...	550,091	562,249
Ocean freight	210,587	199,139
Refin., market., etc.	557,628	516,820
Operating earnings ...	5,423,221	4,872,287
Less: Bond interest ..	......	96,871
Current debent. exps.	......	4,033
Amort. debt. disct. & exps.	......	5,674
Conting. & taxes ..	639,633	489,901
Depreciation	1,091,513	1,060,621
Net profit	3,692,075	3,215,187
Less: Dividends	2,757,973	2,757,973
Surplus for year	934,102	457,214
Add: Prev. surplus ..	2,325,351	1,758,890
Duty drawbacks, pr. yrs.	27,244	......
Sel. & tellur. recov. applic. pr. yrs. ...	......	120,286
Less: Pr. yrs. expend. on mng. claims w/o	......	11,039
Balance forward	3,286,697	2,325,351
Earnings per Share and Dividend Record:		
Earned	$1.34	$1.17
Paid	1.00	1.00

Pioneer Gold Mines of B. C.—Estimates March production at $185,000 and expenses at $78,000, before deduction of depreciation, taxes and depletion.

Payore Gold Shows Good Cash Position

Recently issued financial statement of Payore Gold Mines, developing a property in Siscoe-Lamaque area of Quebec, shows, at March 20, 1937, current assets of $104,651, of which cash accounted for $97,217. Current liabilities were shown at $7,901, leaving a working capital position of $96,750.

Cariboo Group Plans Offering

Cariboo-Hudson is Latest Operation of Fred Wells Group

The Financial Post understands that an offering is shortly to be made in eastern Canada of 200,000 shares of Cariboo-Hudson Gold Mines, the management of which is the same as that of the Cariboo Gold Quartz Mining Co.

The property of Cariboo-Hudson includes the Hudson group, long held by Fred M. Wells, of Cariboo Gold Quartz fame, and the late I. E. Moore.

Mr. Wells, Dr. W. D. Burnett, and O. H. Solibaake, original directors of Cariboo Gold Quartz, formed Cariboo-Hudson last November to develop the property south of Barkerville, in the Cariboo district of British Columbia.

The new company has an authorized capitalization of three million shares, par value 50 cents. Of this amount, 100,000 shares have been issued for pre-organization expenses, 1.2 million for the property, of which one million are in escrow, and 1.7 million remain in the treasury, including the 200,000 shares shortly to be issued. Dr. W. D. Burnett, Fred M. Wells and O. H. Solibaake are directors.

Mining Co. Reports

Freehold Gold

Distinct improvement in the financial position of Freehold Oil Corp. under the new management is reflected in the annual report of the company covering the 15 months ended Mar. 31, 1937. Balance sheet shows that what was, at the end of 1935, a deficit in working capital position of $39,807 has been converted into a credit balance in working capital of $47,443. Current assets of $49,805 include $48,790 cash in the bank.

Profit and Loss Account
(15 months ended March 31)

	1937 $
Revenue:	
Freehold-Marjon Well*	23,994
Less royalties:	
10% Provincial gov't.	2,399
3% C. & E. Corp.	720
4% Pacific Lease & Roy. Syn.	960
8½% Marjon Oil	2,040
3% Livingstone Est.	720
Less: Production expenses	2,730
	14,425
Less: ½ participation Royalite ..	7,213
	7,212
Less: Addit'l 2% Livingstone Est.	480
	6,732
Add: Dividends received	806
Transfer fees	276
	7,814
Less operat. expenses:	
Directors' salaries	2,968
Office salaries	500
Office rent	271
Audit & legal	595
Miscellaneous	1,661
Bad debts	83
Int. & exchange	237
Depletion	2,195
Depreciation	160
Pipe line taxes	73
Costs re increase in capital ...	942
Loss for period	1,870

Perron Gold

Perron Gold Mines reports a bullion recovery for the 10 months' period Mar. 1 to Dec. 31, at $472,003. After provision for various senior charges, there was a net profit for the period of $56,089, equal to 2.8 cents a share.

The balance sheet shows few important changes. Investments are listed at $175,000, against $38,000 in the previous report. Bullion stands at $35,454 compared with $9,560. Among liabilities, accounts payable and accrued charges stand at $190,279, as against $79,986.

	1936 $
*Bullion recovery	472,003
Misc. income	9,473
Min. and devel.	214,139
Milling	74,431
Gen. exp.	31,744
Int. on loans	6,121
Balance	155,040
Depreciation	39,485
†Expl. and devel.	50,465
Balance	65,089
Tax reserve	10,000
Net profit	55,089
Earned per share	2.8%

*Less marketing costs. †Prior to production (portion written off).

Mining Stocks Listed On Montreal Exchange

From Our Own Correspondent

MONTREAL.—Montreal Curb Market has called for trading the capital stock of Mackenzie Red Lake Gold Mines. The listing covers the authorized capital of three million shares, of which 2.9 million shares have been issued, leaving 100,000 shares in the treasury. No shares are held in pool, in escrow, or under any option agreement.

Scott Chibougamau Mines, Limited

Bought - Sold - Quoted

DESCRIPTIVE CIRCULAR ON REQUEST

R. P. Mills & Co. Limited
215 St. James Street
Montreal
PLateau 9124*

BASE METALS

Copper, lead and zinc have been advancing in price and have reached unexpectedly high levels. We have prepared a twenty-two page booklet covering the record of the following companies:

Aldermac Copper Corp. Ltd.
Base Metals Mining Corp. Ltd.
Consolidated Mining & Smelting Co.
Falconbridge Nickel Mines Ltd.
Hudson Bay Mining & Smelting Co.
Intl. Nickel Co. of Canada Ltd.
Lake Geneva Mining Co.
Mining Corporation of Canada Ltd.
Noranda Mines, Ltd.
Normetal Mining Corporation
Pend Oreille Mines & Metals Co. Inc.
Sherritt Gordon Mines, Ltd.
Sudbury Basin Mines, Ltd.
Towagmac Exploration Co. Ltd.
Ventures Limited
Waite Amulet Mines Ltd.

Copy Sent Free on Request.

H. J. Dingman & Co. Ltd.
Established 1908
330 Bay Street, Toronto, Ont.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

WILLIAMS, McLEAN & BELL
MEMBERS TORONTO STOCK EXCHANGE
DIRECT PRIVATE WIRES TO
TORONTO · MONTREAL · NEW YORK

HEAD OFFICE TORONTO 25 RICHMOND ST., W. ADELAIDE - 4902

BRANCHES 66 YONGE ST. ADELAIDE-6061 297 BAY ST. ELGIN-8124

BRANCHES
HAMILTON • IMPERIAL BLDG. • MAIN and HUGHSON STS. • BAKER 1126-7-8
SUDBURY • 8 CEDAR STREET • TELEPHONE 1380
CORRESPONDENTS
STRATFORD • ROCHESTER • ST. CATHARINES • WELLAND • BURLINGTON
LONDON • PT. COLBORNE • GERALDTON • SIOUX LOOKOUT • PT. ARTHUR

To Re-vamp B.C. Nickel

Change Capitalization and Name to Pacific Nickel

From Our Own Correspondent

VANCOUVER. — Plans for reorganizing B. C. Nickel Mines were announced in publication of the annual report of President Victor Spencer and a minority group. It is proposed to change the name to Pacific Nickel Mines, Ltd., and the share capital will be reduced from 6 millions to 3.5 millions.

Under the new set-up 1.5 million shares will be issued to holders of the old shares, a split of four to one. The syndicate which has financed development will accept 600,000 shares in the new company in payment of its $1,300,000 investment. The syndicate will also buy 100,000 shares at $1.50 a share to provide cash for development. The syndicate agrees to take up a further 600,000 shares to be issued by the company.

The original syndicate was Col. Spencer, Ben Smith of New York, and David Sloan. It is understood that C. D. Kaeding, of Toronto, has acquired the interests of the Sloan estate.

The company's ore reserves are now estimated at 1,183,500 tons by Major C. B. North, mine manager.

Lava Cap Gold Options

Lava Cap Gold Mining Corp. has advised the Toronto Stock Exchange that April 1 installment comprising 70,000 shares at $1 par under underwriting April 21, 1936, as amended Aug. 25, has not been paid. An extension of time has been requested.

NOTICE TO SHAREHOLDERS

Arrowhead Consolidated Mines, Limited

(No Personal Liability)

Wound up under The Bankruptcy Act

SHAREHOLDERS are hereby advised to apply to the undersigned for information regarding the distribution of shares deposited with us for the benefit of certain of the shareholders.

CHARTERED TRUST AND EXECUTOR COMPANY
132 St. James Street W.,
Montreal.

ARROWHEAD GOLD MINES LIMITED
(No Personal Liability)
Bought, Sold, Quoted
DUNCANSON. WHITE & CO.
Members Toronto Stock Exchange
Canadian Commodity Exchange, Inc.
New York Curb (Associate)
15 KING STREET WEST, TORONTO. WA. 3401

PREPARATIONS FOR MILL

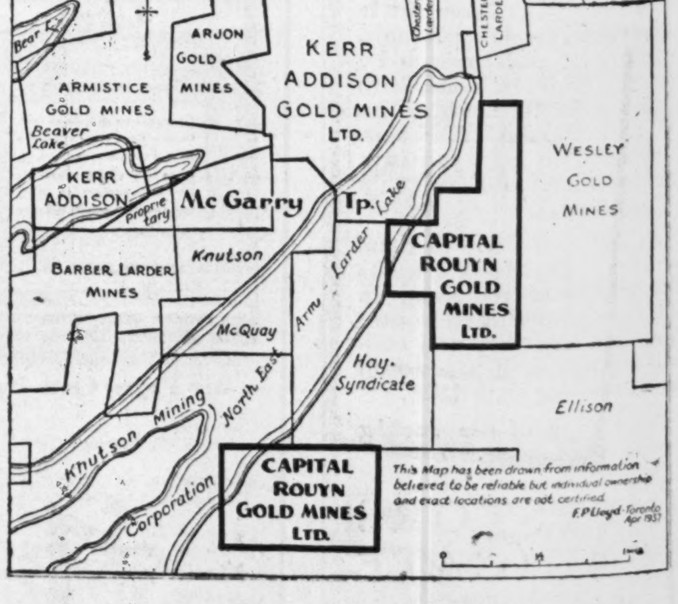
Breaking of ore in preparation for the mill to be erected shortly at Gurney Mines, is now well started. Stopes are being opened on the 125-foot level. Exploration by driving flat diamond drill holes outwards from the North Drift, 375-foot level, continues to give highly encouraging results. In some sections widths as great as 14 feet have proven to have an average of 0.26 ounces. On the 625-foot level, drifting is opening strong vein material.

GURNEY GOLD MINES LIMITED (N.P.L.)

Mine Office: Cranberry Portage, Manitoba

Head Office: 564 Grain Exchange, Winnipeg

LARDER LAKE Properties of CAPITAL ROUYN GOLD MINES ..



... at the meeting of Shareholders, held April 8th, the directors were authorized to begin development work as soon as possible on the Larder Lake holdings, adjoining Kerr-Addison and adjacent to Chesterville. These development plans include a campaign of diamond drilling for —

CAPITAL ROUYN GOLD MINES, LIMITED

Fetish of $35 Gold

Mining Could Still Prosper if Price Were Lowered —Overemphasis Placed on Present Fixed Price

By WILFRID SANDERS

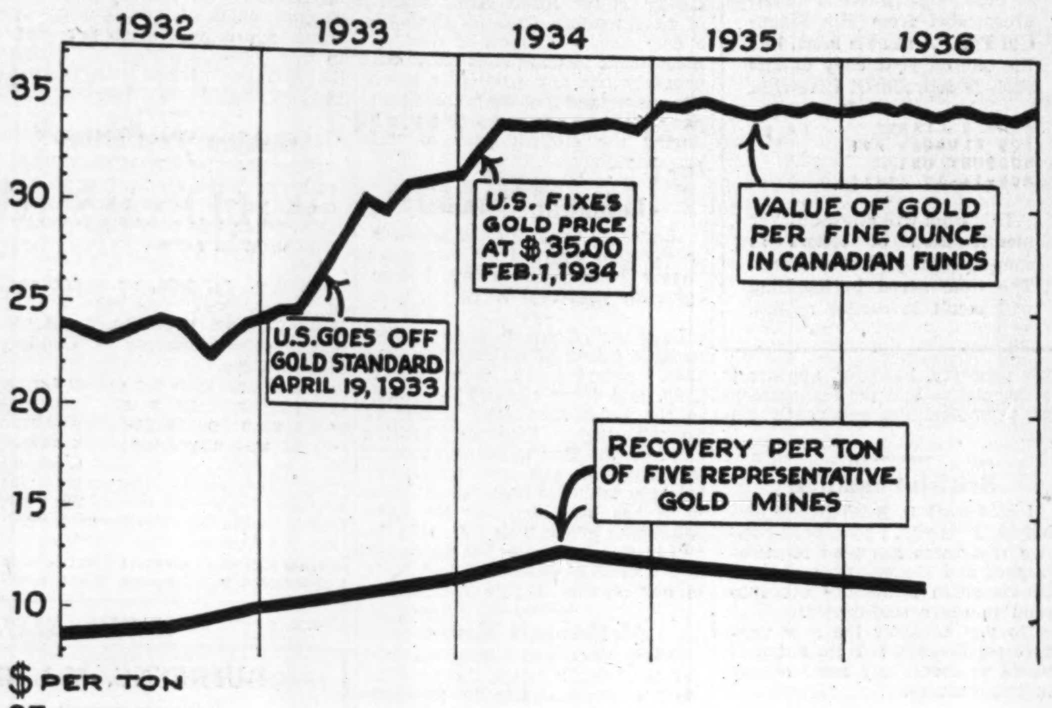
Vague rumors surrounding the future action of the United States Government in regard to gold have unsettled the mining market in the past week.

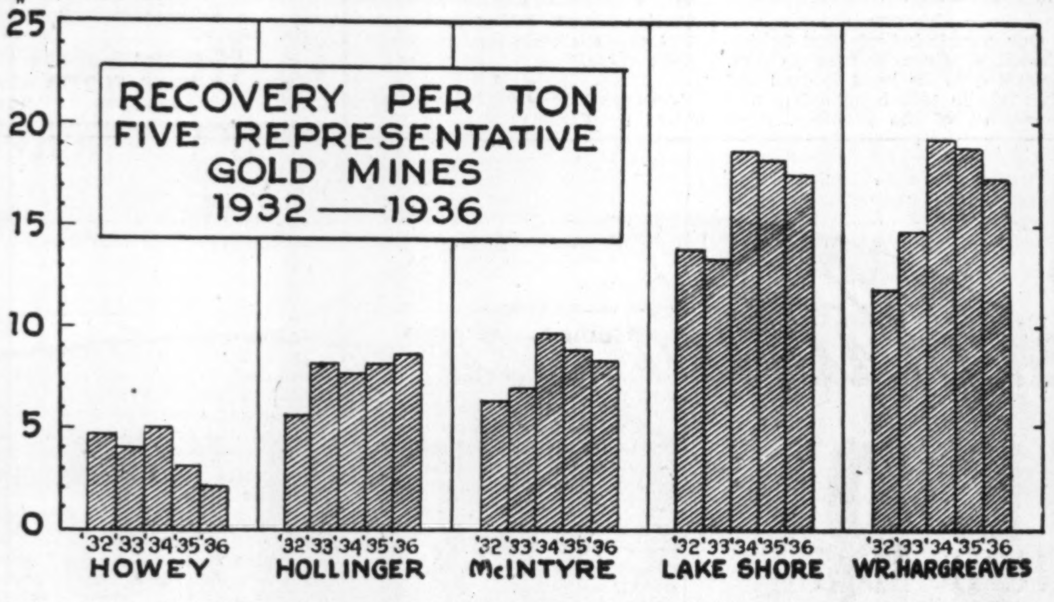
The reports emanating from Washington were of great variety, but their general tenor was to the effect that a revision downward in the price of gold was contemplated.

Only the fact that the rumors were most vague and were quickly denied officially, saved the gold share market from a more serious reaction.

The bearish reports were partly due to an apparent misunderstanding of dispatches from Washington predicting that the administration was contemplating removing a fixed price of $35 per ounce for gold, and instituting a variable price, whose level would be dictated by economic necessity. A good case can be made for the belief that this same economic necessity would prevent a price of much under $35 per ounce in United States, even if the peg were removed.

No matter how remote a decline in the price received by Canadian gold mines may seem to many observers, there can be no question that it is at least within the broad realms of possibility. It is therefore simply a matter of good business to assess the probable results on Canadian gold stocks of a downward revision in the price of gold.





Deifying $35 Gold

The serious view which the market took of last week's rumor indicates how a large section of the share-buying public has virtually deified $35 gold. It has become to a large degree a symbol, a fetish, upon whose favor rests the welfare of the Canadian mining industry. This point of view has been helped along by those interested in fostering it. The public was told that $35 gold was only the beginning. Until recently, a large block of the mining minded public was convinced that $40 gold was just around the corner. Only a few days ago a mining journal stated that "all history tells us that when the price of gold has been raised, there has been no backward step."

At the beginning of the 18th century, and again, after the Napoleonic and Great Wars, the price of gold was forced to comparatively great heights, and relapsed again to lower levels. True, the general trend has been inflationary since the 13th century but it is wrong to say that, once pegged at a higher price, gold has never seen a reaction.

By this sort of publicity a psychological aura has been cloaked over $35 gold, and it is obvious that even a small reduction in the price of the yellow metal would have far-reaching results in the gold share market, largely because of the psychological factor.

In such an event, the public would overlook the fact that Canada could have a prosperous gold mining industry at $32 or $30 gold prices; that even when gold was selling at the old standard of $20.67 an ounce, Canada had a prosperous gold mining industry.

No Body Blow

In other words, a reduction of a dollar or two in the price of gold would not be a body blow to Canadian mining, although the general public, fed with overoptimistic propaganda in the past, would perhaps, for a few days, so regard it.

There are, of course, reservations to this statement. In the first place there are, in Canada, mining companies which are operating on a very narrow margin of profit. Even a small reduction in the price of their product would seriously cripple these concerns. Then again, ore is mineral which can be extracted at a profit. It is obvious that if gold is selling at $35 an ounce, much mineralized rock is ore, which would not be ore if gold were selling at a lower price. Thus, theoretically, a reduction in price would shorten the life of the producing mines. But since nobody knows, even in the case of the senior producers, how long this life will be, the point loses much of its significance. It is difficult to become alarmed over intangibles.

Recovery Declines

When, on Feb. 1, 1934, the price of gold became fixed at $35 per ounce, Canadian producers, together with other producers in the world, took stock of their properties and found that a considerable quantity of mineralized rock was now ore, and could be extracted at a profit. This ore was, of course, lower grade than the general run-of-mine average. As a result of its inclusion in the mill feed, the jump in recovery per ton, consequent on higher gold prices, was considerably moderated. This fact is brought out by the accompanying chart, which shows how comparatively slight was the increase in recovery per ton experienced by five representative gold mines. In the past two years, it will be noticed, the average recovery per ton has actually declined slightly.

In 1932, which was the last complete year of the old standard rate, Lake Shore obtained $14.80 from the ore milled. In the fiscal year 1936, at the old price, Lake Shore recovered an average of $11.04 per ton, a drop of $3.76 a ton. Hollinger's recovery in 1932 was $5.92 a ton. Last year it was, at old prices, $4.89 per ton.

The same is true of most of the leading gold producers. In other words, a deliberate policy of treating lower grade ores was adopted. This policy, spread over a period of five years, will, it can be seen, have had the effect of greatly lengthening the life of the mine. Accordingly, even supposing the impossible or at least highly improbable, happened, and gold went back to the old statutory price of $20.67 an ounce, it would be reasonable to argue that the shares of gold stocks should be worth a great deal more than they were in 1932, owing to the five year respite which enabled the company to lengthen its life, pile up additional reserves.

Reserves Piled Up

In regard to reserves, McIntyre Porcupine is, of course, the outstanding example of how, during the period of higher gold prices, well managed companies have taken advantage of conditions to so bolster their cash and liquid reserves that the equity behind each share is greatly improved. McIntyre Porcupine, at the end of 1932, showed a working capital position, or excess of current assets over current liabilities, of $2.9 millions. At the end of the 1936 fiscal year, working capital had grown to over $11.5 millions. If securities in which McIntyre has invested are taken at their market value, working capital at the end of 1936 amounted to $15,259,487, equivalent to about $19 working capital per share outstanding.

In the case of this particular company, of course, during the past few years it has developed several outside properties which promise to become important contributors to the company's income.

Outside Properties

This is indicative of another fact. During recent years, the intense exploratory activity resultant on higher gold prices has spurred many of the leading producers to seek for outside properties. In many cases this search has been successful, as in the case of McIntyre, mentioned above, and Teck Hughes Gold Mines. Thus has the stock of these companies been strengthened, a fact which should not be overlooked in the remote chance that the price of gold is pared.

There is another point, which should be reassuring to those who are alarmed over gold prices. Without going deeply into economics, it is broadly true that gold prices were pegged at $35 per ounce in an effort to raise commodity prices. If they are lowered, it will be in an effort to curb the rise in commodity prices. Thus, by the very act of reducing the price of gold, the powers that be would be attempting to reduce, or at least moderate, further rise in the cost of gold mining.

There is finally the question of yield. Yields are not infallible clues as to the level at which a stock should be selling. For instance, the current yield of McIntyre does not reflect the true merit of the stock, in view of the reserves. Nevertheless, on the whole, the yields on Canadian gold stocks are comparatively high, in view of the trend of interest rates elsewhere. Lake Shore is yielding over 8%.

Some U. S. investment trusts appear to believe that the "cream" is off gold stocks, however, and as noted in The Post, have been lightening their portfolios. On the other hand, a large percentage of this selling is doubtless due to ordinary profit taking.

It is perhaps unnecessary to repeat that in briefly touching on this subject, The Financial Post is not predicting that gold prices are in for a drop. It is, however, fairly plain that should such a drop come, there are strong arguments for continued faith in the Canadian gold mining industry.

Hedley Board Is Censured After Probe

Chairman, Superintendent and Engineer Under Fire

From Our Own Correspondent

VANCOUVER.—Several brokerage practices in Vancouver, such as "house accounts" and in-and-out trading are condemned in the report of G. L. Fraser on the Hedley Amalgamated Gold Mines crash, but most of the document is devoted to a thoroughgoing censure of the company itself from R. E. Barker, chairman of the board, down to Mine Superintendent William Cox and the temporary engineer, W. S. Bacon.

Mr. Fraser also brings to light a deal entered into with the D. A. Hamilton Co., a Vancouver brokerage house, by Barker and his Burrard Stock & Bonds, Ltd., to build up a market for Hedley Amalgamated stock.

The report released by the Government covers only the brokerage phases of the enquiry. There have been charges that drill cores from the mine were salted, and a special crew under R. H. Stewart, consulting engineer, is making a thorough check of the property to find whether these are justified. Until this additional report is filed the Government will probably hold in abeyance a proposed public enquiry and prosecutions, although an immediate start on such measures is being urged in various quarters, especially by those who demand a house-cleaning of stock exchange practices.

Exchange Not Under Fire

Members of the stock exchange claim that the exchange itself is not under fire and that it co-operated to the fullest possible extent in the investigation, but Mr. Fraser found evidence that certain brokers did engage in trading among themselves to create an artificial evidence of activity in Hedley Amalgamated. The exchange is also criticized for dealing in optioned shares.

Simultaneously with Mr. Fraser's report the Government released an interpretation by H. G. Garrett, superintendent of brokers. Mr. Garrett agrees with Mr. Fraser that there is room for reform, but he holds that Mr. Fraser did not find "deliberate manipulation" or conspiracy to defraud.

Mr. Garrett refers to Mr. Fraser's condemnation of house accounts in which brokers, operating among themselves at no cost in commissions, manipulate the market. He believes that the problem there lies in segregation of the broker from the dealer who acts as a principal for his own account. Mr. Fraser is critical of directors of mining companies being also directors of brokerage houses actively interested in the mine's securities.

Mr. Fraser is unsparing in his criticism of Barker, who, although president of Hedley Amalgamated, "did not show enough faith" in the company, he says, to hold his escrow stock. He claims that he made a profit of $50,000 on operations in the stock, although his record of transactions was termed "very unbusinesslike."

"Mrs. Borrie"

It is charged in the report that on the day of the big break in the share prices H. J. Davis, a director of Barker's brokerage house, acting "purely on rumor," tried to liquidate his substantial holdings in Hedley Amalgamated by selling under an assumed name, "Mrs. Borrie."

It is also claimed that on the same day Frank Parsons, secretary of Hedley Amalgamated and also a member of Barker's brokerage firm, told Gwynn Hurrell, director of Hedley Amalgamated and also a director of Western City Co., operating heavily in Hedley shares, that the drill cores had been salted.

Strong exception is taken by the Vancouver Stock Exchange to the report of G. L. Fraser on the Hedley Amalgamated Gold Mines case, especially in its reference to the brokerage phase of the enquiry.

The Exchange considers that Mr. Fraser has failed to make a satisfactory answer to three of the most important questions that were to be settled, namely: What caused the sudden rise in the price of Hedley stock after Jan. 15? What caused the market to take its sudden drop on Feb. 23, and what should have been done to prevent that drop?

The Exchange, in a formal statement, contends that Mr. Fraser disclosed a whole series of matters that had no relation whatever to the real issue, and it deplores the fact that irrelevant matters were brought in to make the situation, already bad, considerably worse.

Defend House Accounts

The Exchange makes a defense of house accounts, claiming that they serve a useful purpose when properly administered, just as short selling is justified in every market; it points out that the Exchange had no authority to cancel all sales on Feb. 23, as suggested in the Fraser report, and it states that option shares, which Mr. Fraser claims should not be handled by brokers, are all duly authorized by the securities department of the Provincial Government and given the fullest publicity by the Exchange.

The exchange makes these claims:

1. That it carries on its functions as stringently and as effectively as any stock exchange, with reasonable safeguards for the protection of the public.

2. That the Exchange provides greater protection than any other single agency for the businesslike financing and development of the mining industry.

Ventures Cuts Issued Stock One for Five

Earnings for Year 1936 Amounted to 12 Cents a Share

Earnings per share of 12 cents, as compared with 10 cents in 1935, are shown in the annual report of Ventures Ltd., holding and exploration company, for the year ended Dec. 31, 1936.

Thayer Lindsley, president of the company, in his report to shareholders states that directors will submit at the annual meeting a by-law authorizing the reduction in the number of shares issued to a figure more in line with other companies covering a similar field. The plan is to issue one new share for five shares now held. Ventures is now capitalized at 10 million shares, no par value, of which 7,869,755 are outstanding. Under the new plan, the outstanding stock would be reduced to 1,573,951 shares.

Chief items in the companies portfolio are as follows:

1,353,435 shares Falconbridge Nickel Mines
1,429,257 shares Coniaurum Mines
1,011,810 shares Sudbury Basin Mines
918,655 shares Matachewan Consol. Mines
2,145,767 shares Beattie Gold Mines
466,010 shares Can. Malartic Gold Mines

Sudbury Basin Mines, in which Ventures has a 60% interest, owns the following number of shares in the above-mentioned companies:

1,197,900 shares Falconbridge Nickel Mines
868,309 shares Can. Malartic Gold Mines
930,972 shares Matachewan Consol. Mines
60,000 shares Beattie Gold Mines.

At the end of the year current assets amounted to $2,807,618 of which $717,475 was cash. Current liabilities totalled $691,456.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Inc. from sh'hldgs. & bds.	574,571	443,107
Prof. on sec. sold, less sec. w/o	1,105,406	856,483
Int. recd., less paid	585	508
Sundry credits	......	386
Recov. on bad debts prev. w/o	9,086	......
Management chgs. to assoc. cos.	......	4,200
Gross earnings	1,689,648	1,304,684
Less: Exec. salaries	17,390	3,900
Legal fees	788	1,600
Admin. exps.	37,926	23,731
Loss on exchange	......	2,038
Explor. exps. w/o	163,071	120,905
Deprec. on furniture	1,269	1,269
Prov. for taxes	146,153	80,000
Trans. to invest. res.	100,000	270,000
Mining claims w/o	75,000	......
Advces. to assoc. cos., w/o	191,865	......
Net profit	956,186	801,241
Less: Common divds.	590,236	......
Surplus for year	365,950	801,241
Add: Previous surplus	250,019	†529,644
Less: Comm. on sale of stk. w/o	137,219	......
Organ. exps. w/o	......	21,578
Surplus forward	478,750	250,019

†Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.122	$0.102
Paid	0.075	nil

Note:—Salaries and fees paid to directors of Ventures Limited by subsidiaries amounted to $43,302 in 1936 and $24,160 in 1935.

Shares Outstanding	7,869,755	7,869,755

Siscoe Mines Settles Lawsuit

From Our Own Correspondent

MONTREAL.—The claim of Mining Assets Realization Ltd. for 200,000 shares of Siscoe stock has been settled, according to an announcement issued by the management of Siscoe Gold Mines Ltd.

Mining Assets was formed by former members of Siscoe Mining Syndicate and the widows of Joseph Pluto and Stanley Stenclick, also former members of the syndicate, for the purpose of consolidating their several claims against the company.

Obtain Full Release

Under the settlement Siscoe also obtains release from the five persons making up the Mining Assets Realization, of all claims against the company personally as members of the former syndicate.

Coincident with the settlement of the Mining Assets Realization claims, Walter Glod and Felix Bijakowki transferred to Crown Trust Co. 8,000 shares of the company's stock to be held by the trust company for the benefit of the company with other shares held by it.

MINING AND INDUSTRIAL STOCKS
Enquiries on Canadian Securities Will Receive Our Prompt Attention. Write Us.
Bowcock, Hackett & Morgan
Members The Toronto Stock Exchange
Telephone: Adelaide 0525
320 Bay Street - Toronto

Loss Reported By Western Mine

New Shaft and Write-offs Account For Loss

After absorbing entire cost of sinking the new three-compartment shaft a distance of 528 ft. below the main adit level, and charging off $212,352 for depreciation and depletion, a net loss of $9,491 was recorded for 1936 by Island Mountain Mines, a producing property in the Cariboo district of B. C. In the annual report for the year ended Dec. 31, 1936, the operating profit after Dominion and provincial taxes but before depreciation and depletion, is shown at $202,861.

During the year, the balance of the loan from the Newmont Mining Corp. amounting to $37,000 was paid off, and two interim dividends of five cents each, amounting to a total of $105,072 were paid.

Net current assets on Dec. 31, 1936, stood at $104,149, as compared with $37,088 the previous year.

Reasonably assured ore reserves are estimated by M. D. Banghart, manager, at 32,756 assaying 0.426 oz. gold per ton. Average milling was 119 tons per day, with millheads running 0.44 oz. gold per ton.

Profit and loss accounts for 1935 and 1936 follow:

PROFIT AND LOSS ACCOUNT
(Years ended Dec. 31)

	1936 $	1935 $
Sales	629,878	614,229
Less: Oper. costs incl. admin.	401,785	301,329
Interest	241	9,435
Net income	227,854	303,465
Less: Depreciation	63,946	42,780
Depletion	148,406	113,154
Income taxes	24,992	36,749
Net profit	9,490*	110,782

*Loss.

Coulson Stock Listed

MONTREAL.—Shares of Coulson Consolidated Gold Mines have been called for trading on the Montreal Curb Market. Out of a total authorized capital of three million shares, 2,530,000 shares have been issued. Of the latter number 770,777 shares are held in pool, while the remaining 470,000 unissued treasury shares are covered by an option agreement.

NORTHERN CANADA MINING CORPORATION LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

Canadian Diamond Drilling Company Limited
414 BAY St.
Suite 411
WA. 5190 TORONTO
First class equipment and expert crews available at short notice.
Contract Drilling

WE MAINTAIN ACTIVE TRADING DEPARTMENTS SPECIALIZING IN LISTED AND UNLISTED CANADIAN MINING AND INDUSTRIAL SECURITIES.
Our statistical staff would be pleased to answer inquiries regarding all classes of securities.
F.J. CRAWFORD & CO.
Members
Toronto Stock Exchange
Winnipeg Grain Exchange
Canadian Commodity Exchange Inc.
11 Jordan St. - Toronto
ELgin 2201

J. E. GRASETT & CO.
Members
THE TORONTO STOCK EXCHANGE
UNLISTED DEPARTMENT
Special attention given to the execution of orders on a commission basis.
302 BAY STREET. WAverley 4781. TORONTO
Branch: 2822 Dundas Street West. JUnction 1167

ROSS-DANIELS LIMITED
RECOMMEND
McRAE GOLD MINES LIMITED
(No Personal Liability)
LOUVRE GOLD MINES LIMITED
(No Personal Liability)
COURVAK GOLD MINES LIMITED
(No Personal Liability)
Inquire of your Broker or direct to us
132 ST. JAMES STREET WEST, MONTREAL
BElair 2808

Townsmen's Faith Justified But 'twas Long, Long Wait

Back of the encouraging results recently obtained from the property of Chesterville Larder Lake Gold Mining Co., adjoining Kerr-Addison on the east, is a story which has taken 30 years to mature and, like Scotch whisky, is all the better for the process.

The story starts in the year 1906, at the time of the Larder Lake boom, and five years before W. H. Wright drove his stake into what was later to become Wright Hargreaves Gold Mines. In 1906, Larder Lake was the scene of intense staking. In the rush to get there, scores of prospectors rushed past what is now Kirkland Lake. Among those to stake property in that year was a syndicate representing a group of residents in the little southeastern Ontario town of Chesterville. Financed largely by the home-town folks, the following year, a company was formed, and in keeping with the localized background, was named Chesterville Larder Lake Gold Mining Co. That was in 1907, when it was not thought necessary to start out with three million shares in the treasury. So the new company was modestly capitalized at one million shares, par value, if you please, $1.

Some work was done on the property. The results obtained were sufficient to make the little Chesterville group confident that they had something. But the reaction inevitably set in, and Larder Lake waned in popularity, yielding place to the far more sensational Kirkland Lake area. The little property of three mining claims in Larder Lake had not done anything sensational, and was forgotten — forgotten, that is, by everyone except the group of Chesterville citizens who had staked it.

Years went by. Stock of Chesterville Larder Lake had no market. The company was listed in mining reference books as first, "Inactive" and later "Inactive for many years." But just try to convince L. J. Kearns of Chesterville, Ont., and his colleagues that the stock was a write-off.

Came, as the movies say, $35 gold. Later came a reorganization of several old Larder Lake properties, and the formation in 1935, of Omega Gold Mines. Came, as a result, a revival of interest in Larder Lake, and broker's statisticians started leafing reference maps to see "where the darned place was."

Work started up on several old properties, including that of Kerr-Addison, whose property in size appears on the maps as completely over-shadowing the little three-claim group adjoining our old friend Chesterville Larder Lake. This chain of events brings the shouting and the tumult pretty close to Chesterville Larder Lake, with the result that the little Chesterville group suddenly found itself "in funds" for resuming development work where it had left off 30 years before.

Not one whit surprised by these Rip Van Winklian development, was Mr. Kearns, general manager of Chesterville Larder Lake, who knew, all along, that it was just a matter of time. For 30 years, Mr. Kearns and the Chesterville citizens had kept faith with the property.

Knows Every Rock

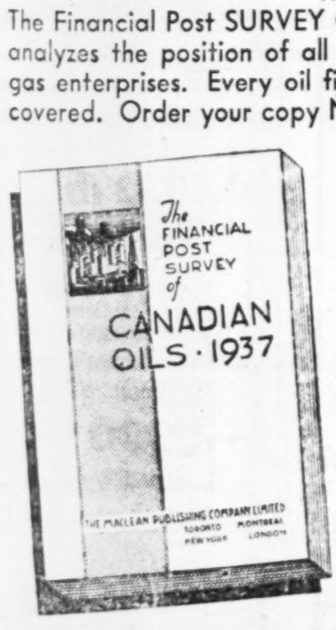
Kerr-Addison was making headlines with work on a structure to the north of the property a structure which cutacross Chesterville Larder Lake ground. It was naturally taken for granted that Chesterville would start work along this structure, in an attempt to pick up similar values to those on the neighboring Kerr-Addison. But Mr. Kearns, who is reputed to know the life story of every pebble on the property, had ideas of his own, ideas which sounded just plain silly to trained mining engineers. Kearns felt that a break to the south of the property was the one to work on. Impervious to the well-meant advice offered him by outside engineers, Kearns turned his back on the northern break, set up his drill, and put down No. 1 hole to cut what he believed to be a mineralized structure to the south.

No. 1 hole at 273 ft. inclined depth, gave values of $48.25 over 37 ft. width, after removing some inches of free gold!

This is reputed by mining men to be the best No. 1 hole ever put down in Canada.

After proving his point, Kearns moved his drill to the north structure, and cut what is a continuation of the Kerr-Addison structure, showing, according to information supplied The Financial Post $8.40 over 10 ft. 3 inches width. Drilling was then resumed on the southern structure, with results which, it is believed, will disclose a length of 500 ft., of very satisfactory grade and widths.

OILS! The new, 1937 edition of The Financial Post SURVEY OF CANADIAN OILS analyzes the position of all active oil and natural gas enterprises. Every oil field in the Dominion is covered. Order your copy NOW!



This New Book Gives:
Reviews of Canadian Oil and Gas Companies
List of Dead and Dormant Companies
Oil Production Statistics
Natural Gas Production Statistics
Imports and Exports of Petroleum
Facts About Well Drilling in Western Canada
Price Range of Canadian Oil and Gas Stocks
Commission Rates on Stock Exchanges
Explanation of Terms Used in Oil Industry
Maps of Oil and Gas Fields in Alberta, Ontario and Turner Valley

Size 6" x 9"
160 Pages
Price Per Copy $1

Make sure of the copies YOU require by sending in your order immediately. Use the coupon TODAY.

THE FINANCIAL POST,
481 University Avenue,
Toronto, Canada.
Send postpaid ______ copies of The Financial Post SURVEY OF CANADIAN OILS—1937.
Herewith $ ______ in payment.
NAME ______
ADDRESS ______ 503

Cleaner and Crisper Impressions, Too . . .
With a big duplicating job on hand, there's nothing like Multiscrip Mimeograph to ensure speed and uniformly clean cut results.
The smooth, hard surface gives a crisp, clear impression. Good absorbency reduces offsetting to a minimum. There is no fluff to clog up your stencils—an important advantage on long runs.
Multiscrip Mimeograph is available in white, canary, pink, blue and green in standard weights. Also heavy weight white.
Write for folder of Samples.
Multiscrip
MADE IN CANADA
MIMEOGRAPH
An improved watermarked duplicating paper. Obtainable from Eddy branches and distributors throughout Canada.
THE E. B. EDDY COMPANY LIMITED—HULL—CANADA

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

The service is confined strictly to regular subscribers.

A three-cent stamp and address label from The Financial Post must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Placer Development

A friend of my late husband has suggested that I purchase stock in Placer Development. Before doing so I would like to get a brief expression of opinion from you in the form of factual information regarding the reliability of this stock and its sponsers.

Placer Development Ltd. was incorporated with a British Columbia charter in 1926 and has an interest in gold placer areas all over the world. The company have a considerable interest in such well-known concerns as Bulolo Gold Dredging, Pato Consolidated Gold Dredging, Asnazu Gold Dredging. Dividends at the rate of $1 per share per annum are currently being paid at the half yearly rate of 50 cents. In a recent statement the president pointed out that income from the company's holdings of Bulolo Gold Dredging, at that company's present dividend rate of $2.80 a share amount to $857,578, while dividend requirements of Placer Development, at the $1 per share per annum amount to only $730,000 per year on the basis of 730,000 shares outstanding.

This stock is well sponsored, Greenshields & Co., of Montreal, having recently made an offering of 30,000 shares at $21.50 per share.

Siscoe vs. Sylvanite

I would be interested to learn through your investment columns, your idea of the respective values of the two mining stocks: Siscoe, price $5.40, dividend 21 cents; Sylvanite, price $3.90, dividend 20 cents.

One is either discounting an optimistic future or the other, for some reason, is behind the market. What do you think?

At present prices Siscoe is yielding approximately 3.9%. Sylvanite on the other hand is yielding approximately 6.2%.

It is obvious from this that the price of Siscoe stock is discounting to a marked degree, higher earnings in the future, based upon ore developments at depth late last year and early this year. The fact that Siscoe in northwestern Quebec, is in an area which has obtained a considerable amount of publicity lately, is also doubtless a factor in the present price.

Sylvanite Gold Mines is unusually conservative in its policy. The past year has not, however, been without its promising developments at this property. Reports of development work early this year indicated that important additions are being made to the company's ore reserves. Work on the new 3,000-ft. level is reported to have intersected the downward extension of the north ore body about 100 ft. east of the east face of the 2,875 ft. drift. What is believed to be extensions of this ore have been intersected on 750-, 875-, 2,250-, 2,875- and 3,000-ft. levels. Average grade of this ore is believed to be $18.50 per ton. In addition, through its operating company, Erie Canadian, Sylvanite is developing what may be important subsidiaries, chief of which are Tyranite and Delnite Mines. The latter property is groomed for production and preliminary results indicate it will be a fairly important source of revenue for Sylvanite Gold Mines.

From the point of view of working capital, there is little to choose between the two companies. Siscoe's working capital at Dec. 31, was in the neighborhood of $880,648. Sylvanite's working capital at the end of 1936 was $864,607, exclusive of shares in wholly-owned subsidiaries. Both companies are in good hands.

Cadillac Exploration

I hold some stock in Cadillac Exploration Co. Is it still alive and has my stock any value?

Cadillac Exploration Co. succeeded Ranger Cadillac Gold Mines on a share for share basis and the property was then sold to Central Cadillac Gold Mines for one million shares subject to pool.

Central Cadillac Gold Mines Ltd. holds a gold prospect of 17 claims, approximately 623 acres, in Cadillac Twp., Que., about 25 miles east of Noranda and close to the power line. The road to Amos passes through the property. The company is capitalized at 3 million shares, all of which were issued as at Oct., 1936.

The company reported in Dec., 1936, that shaft sinking was in progress to an objective of 225 ft. and that a contract had been let for additional diamond drilling. Finances for the year 1936, however, were not reported.

It would appear to be rather early to offer any comment on the prospects of Central Cadillac other than to say that it is interesting locationally, being in an area which has of late undergone considerable and intensive development.

Bankfield Cons.

Last November I purchased 200 shares of Bankfield stock which I held for a few weeks on margin. Now, when I receive my certificate, I have only 133 shares. Is this due to a re-allotment of shares? I received no notice to that effect.

Your original purchase was of Bankfield Gold Mine Ltd., whose assets and liabilities were taken over last fall by Bankfield Consolidated Mines Ltd. for two million shares. Shareholders in Bankfield Gold Mines received two shares in the new company for each three shares held. Accordingly since you had 200 shares of the old company you would be entitled to two thirds or 133 shares in Bankfield Consolidated whose stock is listed on the Toronto Stock Exchange.

Construction of a 100-ton mill is well under way at this property and production is scheduled for April, 1937. Ore reserves are estimated at 65,144 tons above the 525-ft. level. Estimated grade runs around .8 oz. per ton.

This property has met with encouraging results from underground development work and appears to be entering production in good shape. Apart from its financial position at Sept. 30, 1936, it showed current assets of $293,508 and current liabilities of $35,566. The company has an authorized capitalization of $3 millions of $1 par value stock of which $2.400,007 are outstanding.

Ypres-Cadillac

I would like your opinion of Ypres-Cadillac. The property seems to be well located, but the advertising seemed a bit flamboyant to me.

Yyres-Cadillac, at last reports, was still diamond drilling its property in Cadillac Township, Quebec. This drilling followed surface exploration which revealed two mineralized breaks and indicated favorable geology on surface.

You can readily understand that the limited amount of work done on this property makes it an out and out speculation. The men behind this project we believe to be sincere, despite the nature of the advertising campaign. The company has excellent technical advice.

The company is capitalized at $3.5 millions of which as at Feb. 22, 1937, 1,760,000 were outstanding. On that date the company reported $40,000 in cash with no liabilities.

McMillan Gold

What is your opinion of McMillan Gold Mines? I have held this stock a long time, and am wondering if I should sell.

You will note from The Financial Post of April 10 that McMillan Gold Mines Ltd. has decided to stop all work on its property in the Sudbury district. It was reported in February that the company was having considerable difficulty at the mill due to heavy sulphides and coarse gold which did not lend themselves readily to cyanidation. However, it was thought that this was partly overcome by roasting the concentrates prior to amalgamation.

Our information at the present time is that the prospects for this property are far from encouraging, as it has failed, under repeated efforts, to demonstrate that it has commercial possibilities.

Sol D'Or

I hold some stock in Sol D'Or Gold Mines. Should I sell it or hold it as a long term investment?

Sol D'Or Gold Mines is developing a gold prospect of 24 claims in Honeywell Twp., Woman Lake section of the Patricia district, in northwestern Ontario. Surface sampling disclosed five veins. In 1936 a shaft was sunk to 165 ft. with levels established at 154 ft. At present the company is diamond drilling and deepening the shaft to 275 ft. No financial statement has been issued as far as we are aware. Head office of the company is Room 112, 193 Sparks Street, Ottawa, Ontario.

We regret that it is strictly contrary to the policy of The Financial Post to advise you whether to hold or sell your stock. In this particular case, the shares are speculative and should only be held if one is willing to gamble on a proposition whose preliminary results have been fairly encouraging.

Porcupine Triumph

A brief analysis of Porcupine Triumph Gold Mines would be appreciated by a reader of many years standing.

Porcupine Triumph Gold Mines has an authorized capitalization of five million shares of which 3,226,806 are issued, including 2,681,000 escrowed. The company, at the present time, is concentrating on sinking its shaft on the south Deloro Twp. property in Porcupine and expects to reach the 100-ft. level before the end of March. Diamond drilling, according to J. A. Thomas, president, has established a vein with a length of 660 ft. to a depth of 500 ft. The main vein was encountered at shallow depth in the shaft. Bulk samples assayed $22 per ton and 15 ft. down, seven channel samples gave added value of $14.40 per ton.

This stock, of course, is still highly speculative but initial results appear to be fairly encouraging.

Slave Lake Gold

I would appreciate as comprehensive a report as possible on Slave Lake Gold Mines.

Slave Lake Gold Mines Ltd. holds a group of 18 claims on Outpost Islands, Great Slave Lake, N.W.T., which it acquired from the Athabaska Syndicate.

The property has a complete mining plant, and is being developed by the N. A. Timmins Corp. and we would, therefore, regard this project as well sponsored. Authorized capital consists of 3 million shares of which 1 million shares were issued for claims and 200,000 were sold for cash, making a total of 1.2 million outstanding.

No stock is held under option but the remaining 1.8 million shares are reserved under an agreement between the Timmins Corp. and the company. Under the terms of the company's agreement with the Timmins Corp., the later provides funds for operations to production. If this stage is reached, the Timmins Corp. will receive the 1.8 million treasury shares mentioned above; if it withdraws from the agreement before production is reached, this stock remains in the treasury.

Shaft sinking was done to depth of 230 ft., with stations cut at 123 ft. and 200 ft. A vein was encountered in station cutting on both these levels. For a length of 15 ft. in the station at the 123-ft. levels the vein averaged 1.4 oz. across 34 inches. All drifting operations are being carried on at the 200-ft. level. At this level the vein has an average width of 31 inches but so far no assays are available.

Seal Harbour

Would you kindly advise what are the prospects for Seal Harbour Gold Mines, Nova Scotia.

Seal Harbour Gold Mines at Goldberg, N.S., has been in operation with a 200-ton mill for about two months. This is a low grade proposition and millfeed is reported to be running around $4.85 per ton. In a recent report Charles Baycroft, mine manager, states that it is hoped shortly to bring the grade up to $6 per ton. Ore reserves above the 300-ft. level are sufficient to supply the present 200-ton rate for more than two years. The company reports that all expenditures, including development costs, mining and milling costs have averaged around $2.85 per ton.

As you probably know the history of mining operations in Nova Scotia has not been such as to inspire any particular confidence. This property, however, appears to be speculative and the management and promoters are apparently sincere.

Label Please

As a help in giving prompt service, The Financial Post requests subscribers to attach to their enquiry letters an address label from The Financial Post. A sample label, like the one on your copy of The Post, is reproduced herewith.

JOHN S CLARKE FP BX
109 ELMWOOD AVE
SUDBURY ONT
AUG-14-37 658384

This label will allow quicker identification of letters as coming from paid subscribers. The time saved in handling will result in earlier replies.

British-Canadian

I hold stock in British-Canadian Mines. Recently, I have been notified that there has been reorganization, and shareholders of British-Canadian Mines are asked to send in share certificates.

Do you consider the new venture worth-while? I am not prepared to invest any more money in this venture.

Our records indicate that British-Canadian Mines, formed in 1922, defaulted in its bond interest and that late in 1935 bondholders took possession of the property. Early this year the property was sold by the bondholders to Santa Fe Gold Mines Ltd., British-Canadian bondholders and creditors being paid off and the common shareholders of British-Canadian to receive one Santa Fe share for each seven British-Canadian. The property is a gold prospect approximately 1,650 acres, six miles south of Mine Centre in the Rainy River district of northwestern Ontario. Certainly a considerable amount of development work has failed to show that property has any particular merit. We understand that the present company plans to operate a 50-ton mill during the current year on this property.

Lamaque Contact

Lamaque Contact Gold Mines is a stock in which I am comparatively heavily interested. Please give me your report.

Lamaque Contact Gold Mines owns 33 claims of which three have been patented in Bourlamaque Twp. and three unpatented claims in the Lake Athabaska section of Saskatchewan. Diamond drilling done on the Bourlamaque property last summer did not apparently locate anything of importance. Little work has been done on the Lake Athabaska group. This fact, plus the fact that the company has not issued any financial statement makes it, in our opinion, highly speculative.

McDougall Mines

Many years ago I bought stock in McDougall Mines, because it had a large equity in Sherritt Gordon Mines. It has struck me that this stock should now have some value.

McDougall Mines Ltd. was acquired by Ventures Ltd., in May, 1929, in consideration of 30,391 shares in Sherritt Gordon Mines. The assets, our records indicate, were distributed and the company wound up, shareholders receiving one Sherritt Gordon share for each nine shares of McDougall. Accordingly for your 1,000 shares of McDougall you should, according to our information, be entitled to approximately 112 shares of Sherritt Gordon which at today's prices are worth approximately $3 per share. In this connection may we suggest that you get in touch with Ventures Ltd., 25 King St. W., Toronto.

Golden West Mines

Why does Century Mining Corp., call the Webb-Garbutt property, their Century West Shore property, when this property is really Golden West Mines.

On Aug. 25, 1936, an assignment of option was acquired on the Webb-Garbutt property by A. D. MacPherson, president of Century Mining Corp.

Complying with the option terms, Golden West Mines was incorporated with a three-million-share capital and a vendor stock issued Nov. 15, 1936. As a large diamond drill exploration programme was required before the end of the year, Century Mining Corp. undertook this development for an issue of 250,000 shares of Golden West Mines. Subsequently Century contracted for the full development of the property to production involving an ultimate expenditure of $400,000. A total of 1.5 million shares of Golden West Mines have been allotted to Century Mining Corporation Ltd. 500,000 shares are left in the treasury for future contingencies. Thus Century Mining Corp. Ltd. has a 70% stock interest in Golden West Mines Ltd.

Legal & Professional Directory

Victor A. Sinclair, K.C.
Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
1503 Canada Permanent Bldg., TORONTO, CANADA

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner McEwen and Alsaker
Barristers, Solicitors, Etc.
Hamilton Building
WINNIPEG, CANADA

INDUSTRIAL ENGINEERS

DUFRESNE, McLAGAN & ASSOCIATES
INDUSTRIAL AND MANAGEMENT CONSULTANTS
COST REDUCTION — WAGE METHODS — COST CONTROL
INDUSTRIAL COST ACCOUNTING — PLANT AUDITS
BANK OF NOVA SCOTIA BUILDING — MONTREAL
TORONTO — MONTREAL — QUEBEC

CHARTERED ACCOUNTANTS

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Ottawa
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal — Toronto — Quebec — Ottawa

J. P. LANGLEY & CO.
C. P. ROBERTS, F.C.A.
Chartered Accountants
TORONTO
KIRKLAND LAKE
ONTARIO

J. M. Dunwoody, C.A.
C. W. Nicholl, C.A. Thos. E. Saul, C.A.
DUNWOODY, NICHOLL, SAUL & CO.
CHARTERED ACCOUNTANTS
Winnipeg, Man., and Fort Frances, Ont.

T. A. GETTY
Chartered Accountant
Suite 302, Walter Scott Bldg.
Moose Jaw, Sask.

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON, R. S. McPHERSON, Licensed Trustees
FEDERAL BUILDING, TORONTO
GALT, KITCHENER

RONALD, GRIGGS & CO.
Chartered Accountants
Winnipeg
Saskatoon

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A. — HAROLD A. SHIACH, F.C.A.
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. — F. R. McCutcheon, C.A.

ROBERTSON, ROBINSON, McCANNELL & DICK
CHARTERED ACCOUNTANTS
D. H. McCANNELL—Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

A Revolutionary
SUPER LUBRICANT FOR MOTOR CARS

RED INDIAN
... the best motor oil
PLUS
***CLARALLOY**
... a new chemical
EQUALS
RED INDIAN
Aviation Oil FOR MOTOR CARS

RED INDIAN AVIATION OIL for motor cars is the latest and most advanced development in engine lubrication. *Two years of exhaustive laboratory work and road tests definitely prove that it provides three times the protection of ordinary oils.

ITS TRIPLE FILM STRENGTH

- Sharply reduces engine-wear—practically eliminating repair bills due to oil failure.
- Increases gasoline mileage by making it possible to use lighter grades of motor oil.
- Eliminates bearing wear and bearing corrosion.
- Reduces carbon deposits and saves on oil consumption.
- Decreases starting wear. Its thick, triple-tough film clings to all metal surfaces, providing adequate lubrication for the coldest starts.
- Decreases road-dust wear by forming a protective film around abrasive dust particles.

**These statements have been proved by actual road tests and laboratory experiments.*

RED INDIAN AVIATION OIL is a premium oil—Yes. But remember, its triple protection gives value far in excess of the few cents more it costs. CHANGE TO SUMMER GRADE OIL NOW—WITH RED INDIAN AVIATION OIL.

Compare These Scientific Facts:
Using the finest mineral oil, test bearings seize under pressure of
4,000 lbs. per Square Inch
With CLARALLOY added, the same oil withstands test bearing pressure of
12,000 lbs. per Square Inch

***WHAT IS CLARALLOY?**

CLARALLOY is a super-refined chemical whose discovery marks the most advanced development in E.P. (Extreme Pressure) Lubricants. The three outstanding characteristics of CLARALLOY are:

(1) It triples the film-strength of the finest mineral oil;
(2) Makes it cling more closely to metal surfaces;
(3) Creates an increased "oiliness" which gives adequate lubrication under all operating conditions.

Each one of these *additional* qualities, which CLARALLOY gives to Red Indian Aviation Oil, is of vital importance to motorists because each one provides *additional* protection from engine-wear. CLARALLOY plus RED INDIAN pure, wax-free oil=Red Indian Aviation Oil; the sensational, new lubricant which has Triple Film Strength.

THE THOUSANDS OF MOTORISTS

who have proved the rugged stamina and unfailing protection of Red Indian Motor Oils are assured of a continuation of the same dependable lubrication service to which they have been accustomed. But there are times when the most carefully driven motor must face unusual wear,—a rushed start, extreme high speed, searing heat. It is to guard against these unexpected, inevitable sources of engine-wear that we announce this revolutionary new super lubricant.

A372

RED INDIAN *Aviation Oil* for MOTOR CARS
McCOLL - FRONTENAC OIL COMPANY LIMITED
AN ALL-CANADIAN COMPANY